

PATHWAY TO **Prosperity**

Presented by **Councilmember Carl DeMaio**



Economic Prosperity Plan for Job Creation

OUR DESTINATION IS CLEAR...

To create a sustainable economy in San Diego that draws high-paying jobs in established and emerging sectors.

And to get there, we need a...





PATHWAY TO Prosperity

Carl DeMaio's Economic Prosperity Plan for Job Creation

MAKING SAN DIEGO THE PERFECT CLIMATE FOR BUSINESS

A Letter from Carl DeMaio

We need to get San Diegans back to work. That's why I have laid out the reforms in this plan to make San Diego the leader in innovation, entrepreneurship, and job creation.

We must start by making significant changes in the culture and processes at City Hall to foster job creation, and then follow that up by aggressively marketing San Diego to businesses and consumers across the nation and the world .

Since I launched the Pathway to Prosperity initiative last year, I have received overwhelming support from other San Diegans who want to make city government a help, rather than a hindrance, to economic recovery in our region.

I look forward to working with business owners and local officials to enact these proposals and get San Diego back to work.

Carl DeMaio

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Steve Flaim
Tech Coast Angels

Ruben Garcia
US Small Business Administration

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Leo Hamel Fine Jewelers

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Phil's BBQ

Ed Plant
San Diego Cold Storage

Janie Ramshaw
Ramshaw Enterprises

Tom Sudberry
Sudberry Properties

Joe Terzi
SD Convention & Visitors Bureau

Vince Vasquez
National University

Courtland Weisleder
Greener Dawn

Steve Williams
SENTR Partners

"If you want to know how city government can help create jobs, ask those who know best – our small business owners and entrepreneurs."

That's what Councilmember Carl DeMaio said when he launched his *Pathway to Prosperity* Plan, a comprehensive initiative to create more jobs and make San Diego known for its "Perfect Climate for Business."

As a result of DeMaio's driving philosophy, the reforms outlined in this plan are the result of months of outreach to real San Diegans, not politicians or government bureaucrats. DeMaio reached out to include the small business owners suffocating under endless fees and regulations, the workers who are looking to improve their skill sets and make themselves more competitive in the job market, and the business executives who want to keep doing business in San Diego despite the rising costs of living and doing business here.

With all of the ideas vetted, DeMaio has outlined ten major strategies to cut red tape, prepare San Diego's workforce for success, and attract new companies to our region.

DeMaio's Job Creation Task Force

Made up of business owners and experts in economic development, the members of the *Job Creation Task Force* know better than anyone how the City places hurdles and red tape in front of job creators.

Many of these business owners have experienced the long, burdensome permit approval process at City Hall, and they understand what needs to be done to make San Diego a more business-friendly city.

The Job Creation-Regulatory Relief Hotline

In September, 2011 Councilmember Carl DeMaio announced the creation of a *Job Creation & Regulatory Relief Hotline* at (619) 236-6210 for any member of the public to call and share their ideas for job creation.



Some of the ideas that were submitted have been included in this report, and we are thankful to the many San Diegans who utilized this opportunity to reach out to their City government and have their ideas heard.

The hotline will continue operating throughout DeMaio's time on the Council. He looks forward to hearing many more ideas from San Diegans who recognize that something needs to be done to turn things around at City Hall.

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Town Hall Forums by Economic Sector

Throughout the second half of 2011, Councilmember Carl DeMaio organized a series of *Job Creation Town Hall Forums*, held at multiple locations throughout San Diego to hear from business owners, entrepreneurs, workforce development experts, employees, and the public.

Each of these town hall forums featured panels of 40 or more business owners in the defense industry, tourism, restaurants, retail, the life sciences such as biotech and clean tech, youth workforce development, veterans job training programs, and many other sectors.

These three-hour long morning sessions were incredibly productive, and provided an opportunity to come up with job creation ideas, refine existing policies, and hear directly from those who are on the front lines of the economic struggles facing our city.



Tapping National Best Practices

Carl DeMaio has reviewed and researched best practices in economic development and job creation from other cities and states across the country. After an extensive look at strategies which have proven to be successful in other major American cities, we have included reforms which are most needed in San Diego.

Many cities have weathered the recent economic crisis remarkably well. Cities like Austin, Texas (where Carl DeMaio traveled earlier this year to meet with public officials, business owners, and others) have lowered fees, decreased regulation, and most importantly, viewed businesses as allies and partners in the quest to create jobs. In one case, the City of Austin streamlined their permit process and even placed a satellite permitting office on the site of a major multi-million dollar construction project to ensure the timely completion of the Samsung Semiconductor. This willingness to think outside-the-box and work with business owners and companies is exactly what we need in San Diego.

It will take a cultural change of attitude within the Development Services Department, Office of Small Business and others, but it has been done elsewhere. San Diego, with its bright minds and creative spirit, should be leading the charge on this cultural change.



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Looking at Successful Job-Creation Policies from Around the Country

In October, Councilmember DeMaio used his personal funds to travel to Texas for three days with a delegation of San Diego business leaders and officials to study efforts there to attract and create jobs.

Economic data demonstrates that Texas has fared much better than San Diego in this rough economy. At the time of publishing, San Diego has an unemployment rate 1% higher than Austin.

One reason is that many California companies have relocated to Texas because of lower fees and regulations. In fact, a recent article in the *Austin Statesman* newspaper began with the sobering statement, "When the experts go looking for new jobs to bring to Austin, California is a prime hunting ground."

"City leaders must commit to study and act on national best practices that will help get San Diegans back to work."

– Carl DeMaio

We cannot afford to keep losing good paying jobs to other cities that are willing create a more attractive environment for business. The policies we pursue in San Diego will determine whether we are providing jobs for San Diegans, or sending our jobs to other states like Texas.

While in Texas, DeMaio met with business owners, conducted site visits of major economic zones, examined Austin's successful "cohesive permitting process," and visited sites dedicated to developing clean-tech and high-tech jobs in the region.

He also met with representatives from every level of government, business organizations, and stakeholders in economic development to hear what policy initiatives have contributed to Texas' success with job creation and retention. The trip was organized by the San Diego North Chamber of Commerce and proved to be a fruitful and important learning experience.

The Jobs Blog – Carl DeMaio Reports from Texas

Circuit of the Americas (October 13, 2011)

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"This morning I viewed the site of the 'Circuit of the Americas' in Austin. This project will be the premiere motorsports facility in the United States when construction is completed next year and will provide a major economic benefit to the city of Austin. The race track and surrounding facilities are going to provide over 1,100 construction jobs and will host some of the most prestigious racing events in the world: the Formula 1 United States Grand Prix from 2012 through 2021, and MotoGP from 2013 to 2022, generating an estimated \$250 million each year."



Samsung Semiconductor Facility (October 13, 2011)

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"I was excited to learn about the success of Austin's Samsung Semiconductor today. This 2.5 million square-foot facility has had \$9 billion invested in it since 1996 and was built in only 14 months. My favorite part: During construction, the City of Austin set up an on-site satellite office open 24/7 to process permits as quickly as possible. San Diego needs to have the same attitude as we encourage businesses to relocate and expand here."

Austin Technology Incubator (October 14, 2011)

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"Ended the day with a visit to the 'Austin Technology Incubator.' The center currently supports 28 companies and has helped 50 companies receive \$75 million in capital over the last 3 years. Best of all: It has produced an economic impact of \$100 million in the region and graduates 6-8 companies each year. I am proposing a similar concept for San Diego in my *Pathway to Prosperity* plan."



Economic Strategy 1

Cut Red Tape Through Regulatory Reform

Too often our city government has been a hindrance rather than a help to local businesses.

The reforms laid out in this plan seek to fundamentally change the processes and culture at City Hall and will help San Diego businesses succeed in this tough economy.



Reform 1.1 – Overhaul and Streamline Permit Processing at Development Services

In business, time is money – and uncertainty can create so much risk that businesses decide not to pursue projects.

That's why Carl DeMaio believes the City of San Diego must dramatically reorganize and overhaul its entire permitting process to become "faster, better and cheaper."

By any measure, the current permit process at the City of San Diego is complicated, costly, and bureaucratic.



By streamlining regulations and cycle time for permit decisions at the Development Services Department (DSD), the City of San Diego can remove cost and risk from projects – and in doing so position itself as an attractive place to do business.

To achieve this goal, Councilmember DeMaio proposes the following:

- **Fixed Price Fee Structure:** Instead of drawing down on "deposit accounts" which only encourages the city bureaucracy to take more time on permit processing, DSD should switch to "fixed-price" permit pricing. DeMaio is proposing no more than 4-5 categories of fixed price permit fees be created to force the greatest level of price-certainty in the development process. More importantly, prices will be set based on cost-recovery for turn-around times *based on competitive benchmarks*.
- **Time and Quality Guarantees:** For each permit category, the City will commit to a hard deadline by which the permit will be completely processed. In addition to measuring turn-around time, the City will commit to a minimal deviation between requirements outlined for the applicant during plan review/check and final inspection. If the City fails to meet these performance standards, the customer (applicant) will receive their money back, and the City will pay to put an extra project team on the permit application to expedite processing.
- **Employee Incentive Program:** To encourage city employees to meet turn-around times, an incentive program will fund performance bonuses and training in key skill sets such as project management, customer service, etc.
- **"Innovation Labs" for Process Redesign:** Instead of trying to completely overhaul DSD all at once, DeMaio proposes to break DSD down into four units: *Two teams comprised of government employees and two teams from outside contractors*. Over a 2 year period, the four units would be allowed to set up whatever processes and systems for processing permits they feel would provide the fastest, most cost-efficient, and quality-oriented permit review. By having four units working separately, the goal is to encourage competition and innovation in process design and management. At the end of the two-year Innovation Lab period, results will be assessed and a final DSD structure will be implemented based on best practices from all four units.

Reform 1.2 – Eliminate Permit Requirements by Shifting to Self-Certification Programs

Why have a government bureaucracy review a project and issue a permit when professional liability standards provide the same or better protection to the public?

That question has fueled a nation-wide implementation of “self-certification” permit programs to replace government-managed permit programs.

To streamline the number of permit actions that require a full-scale city review process, DeMaio proposes to pilot “Self-Certification” Permitting for select types of low-risk projects and permits, with liability transferred to entities that certify compliance with city codes such as licensed architects or structural engineers.

DeMaio proposes to convene a working group of DSD staff and industry representatives to select up to 10 permit types for a self-certification pilot project. After two years, results will be assessed to determine whether to continue with self-certification programs, and whether to expand the program to cover other permit types. The DSD would have oversight over the program and would randomly select and inspect 25% of all self-certification projects to ensure compliance.

The Success of Self-Certification in Chicago

The City of Chicago provides an example to model, as their self-certification program has not only been successful, but is looking to expand into other industries such as food handling and restaurants.

Chicago currently requires that developers seeking to self-certify complete a self-certification course. That city also conduct audits and revokes the ability of any entity to submit self-certified plans if they are found to be in violation of the ordinance.

Reform 1.3 – Expand the Use of “Ministerial” Permits vs. “Discretionary” Permits

Even the process for more minor permits can be complicated, and worse, they can be based on the discretion of multiple staff members rather than established guidelines. These are referred to as “discretionary” permits, rather than “ministerial” permits (which are approved if the regulations are met and denied if they are not.)

While the percentage of discretionary permits can be less than 5% of total permits processed, the amount of staff time spent on these permits was recently 34%.

DeMaio would like to see more permits that are currently discretionary processed ministerially, allowing applicants to turn around projects faster, cheaper, and get their employees to work quicker. It is unacceptable for city government to hold up projects in a bureaucratic maze while workers sit unemployed.



“It is time for a culture change at City Hall. We must transform our permit process to help businesses get through faster and cheaper.”

– Carl DeMaio

Reform 1.4 – Conduct Program EIRs and Advance CEQA Reforms for Job Creation and Redevelopment

We must streamline costly and time-consuming project reviews in order to move projects forward faster and get San Diegans working. Ask any business that has attempted to build a major residential, commercial, or industrial project in California and the topic of high costs due to the California Environmental Quality Act (CEQA) and litigation related to it will undoubtedly come up.



CEQA has imposed significant burdens and risk on projects across California. Councilmember DeMaio believes San Diego should not only push for statewide CEQA reform, but should immediately implement Programmatic Environmental Impact Reports (EIRs) to minimize CEQA costs on individual projects.

Much of San Diego's Downtown Redevelopment success can be traced to the fact that CCDC conducted and approved a large "master" or "program" EIR in anticipation of the extensive redevelopment of that area. This allowed subsequent projects which fit that redevelopment plan to move forward without the need to obtain individual EIRs for each project.

Complete Program EIRs

Councilmember DeMaio proposes that the City develop additional program EIRs – beginning with the most dense areas of the City to provide for streamlined regulatory review for housing projects, and including all of San Diego's industrial lands to provide for broad classifications of projects in key economic sectors San Diego seeks to attract (e.g. bio-tech, clean tech, etc.)

An EIR is the planning document which describes the environmental impacts associated with a project. Typical impacts may include: traffic, air quality, noise, city services, and land use. The EIR discusses these impacts and determines which ones are significant. It also describes mitigation measures to reduce the impacts to an appropriate or acceptable level.

CEQA Guidelines define a Program EIR as "an EIR which may be prepared on a series of actions that can be characterized as one large project and are related either: (1) geographically; (2) as logical parts in the chain of contemplated actions; (3) in connection with the issuance of rules, regulations, plans, or other general criteria to govern the conduct of a continuing program; or (4) as individual activities carried out under the same authorizing statutory or regulatory authority and having generally similar environmental impacts which can be mitigated in similar ways."

By pursuing Program EIRs for specific job clusters, the City of San Diego can ensure that individual projects are not held up in environmental studies and associated litigation – making San Diego a more attractive place to do business.

Advance CEQA Reform

The State Legislature enacted a bill in 2011 that exempted football stadiums from CEQA requirements. The rationale? The stadium could help create jobs. This past year Mayor Sanders announced his intention to seek modification of CEQA rules to exempt fireworks displays.

If exempting a football stadium or fireworks displays from CEQA is a good idea, why not advance a streamlined CEQA process for all other projects that can help create much needed jobs? As part of its annual legislative package, Councilmember DeMaio is proposing the City of San Diego work with other local government partners to provide streamlined CEQA processes for a wide-range of job-creating projects.

NOTE: A related reform – Reform 7.1, "Updating Community Plans" – is discussed in Chapter 7.

Reform 1.5– Grant the Mayor Powers to Enact “Regulatory Amnesty” Under “Job Creation Performance Contracts”

Cities and counties across the country have piloted very successful “regulatory amnesty” programs – wherein fines and penalties for unpermitted work are waived in an effort to bring businesses into compliance with the lowest possible cost.

For small “mom and pop” shops around the city (such as restaurants and small retail shops), making periodic repairs and minor renovations to their business is common.

Unfortunately, because of high permit costs and the fear of having previously completed work seen by a code inspector, many of these small business owners are holding off on making needed improvements, or they are having the work done without getting the required permits.

To address this problem, Carl DeMaio is proposing that the Mayor be empowered to grant citywide “Regulatory Amnesty” to waive regulations penalties and fines for previously completed work done without permits.

In addition, DeMaio is proposing that the Mayor receive authority to grant Regulatory Amnesty where a “compelling case for job creation can be made.” These commitments, on a project-by-project basis, would be spelled out in clear and measurable goals for job creation in formal “performance contracts” with businesses seeking regulatory relief. In exchange for cutting regulations and fees on a specific project, businesses would commit to hit job creation targets.

To provide maximum transparency and public review of these grants of amnesty, the Mayor would alert the City Council 15 days in advance of any decision becoming final – with the Council having the opportunity to over-ride the Mayor’s determination by simple resolution.



Reform 1.6 – Implement Customer Service Training Programs within City Departments

Customer service is the vital link between the City and business, and allows local companies to get problems solved faster and easier when it works correctly, allowing them to focus on the important work of job creation. It is an area the city is sorely lacking in.

Since taking office, Councilmember Carl DeMaio has heard countless stories about sub-par customer service throughout the city. While these experiences certainly happen to average taxpayers trying to get potholes filled and trees trimmed, it is especially frustrating and detrimental for businesses.

For example, the Water Department has been plagued with so many customer service calls recently (more than 27,000 per month!) that they were forced to hire extra part-time staff to deal with the complaints that came in when they changed their billing system.

For a small business owner or resident who has been charged twice for their water bill, for example, and can't get a hold of anyone at the water department, the extra time spent on the phone and uncertainty about having to pay those bills is a huge setback.

Carl DeMaio is proposing that every city department which interacts with businesses establish a comprehensive, performance-based customer service and project management training program to ensure that business owners have one less frustration and roadblock to deal with as they strive to be successful in their industry.



Priority Departments to Undergo Customer Service and Project Management Training

- Development Services Department
- Public Utilities Department
- Water Department
- City Treasurer
- Police Department (Permit/Inspections only)
- Fire Department (Permit/Inspections only)
- Office of Small Business

Given the City's financial crisis, DeMaio proposes city leaders work together to raise outside funds through a 501(c)(3) educational foundation to provide for the initial round of training for city managers and line employees.

"Customer service is key in any successful enterprise – and it should be no different in city government."

– Carl DeMaio

Reform 1.7 – Expand Awareness and Benefits of the San Diego Regional Enterprise Zone

When the state provides incentives and creates a pro-business program, we need to utilize and expand those opportunities to the fullest extent possible.

The Enterprise Zone program has been established by the State of California to provide tax breaks and incentives to businesses within targeted areas. The San Diego Regional Enterprise Zone, also called the “OneZone,” was established in 2006 when the Metropolitan Enterprise Zone and the South Bay Enterprise Zone were merged. The zone was then enlarged and renamed the San Diego Regional Enterprise Zone. It includes portions of the City of San Diego as well as parts of Chula Vista and National City. Portions overlap with the City's Foreign-Trade Zone and a Recycling Market Development Zone, which offer additional benefits available to business owners.



An additional enterprise zone is located at the Naval Training Center and provides similar advantages for businesses there.

Carl DeMaio supports the expansion of the SD Regional Enterprise Zone to include more industrial and manufacturing areas of the City which would benefit from the tax breaks and other incentives that are provided in these zones.

Because San Diego's economy is regional in nature, it is vital that city leaders continue to collaborate with neighboring cities, agencies, companies, and the State to expand business incentives and increase San Diego County's ability to compete with other regions, create new jobs and increase investment in San Diego.

What are the benefits of an Enterprise Zone?

- Hiring Tax Credits can be claimed on up to half the wages paid to qualified new employees.
- Tax credits can be claimed for sales taxes paid on equipment purchased for manufacturing or production purposes.
- All net operating losses can be carried forward as a deduction in future years.
- Business equipment depreciation can be accelerated, up to a limited amount.
- Low-income employees can claim their own personal income tax credits.
- The state gives priority for Industrial Development Bond applications.
- Lenders (both commercial and private) can deduct net interest income on loans to Enterprise Zone businesses.

Reform 1.8 – Improve San Diego's Use of E-Permitting and E-Licensing Portals

City government needs to get into the 21st Century and start taking advantage of new technologies to increase efficiencies and performance in order to better serve residents and business owners. Although it can hardly be called “new,” the internet can be better utilized by the City to streamline processes.

Every San Diego business owner should be able to access and submit applications for food and beverage licenses, permits, and other required forms online. Understanding that there are some permits and licenses which require staff contact, every business owner should be able to download and print off those specialized applications remotely to reduce the number of trips it takes to City facilities.

Over a year ago, Councilmember Carl DeMaio challenged city leaders to begin moving more permitting online, with the goal of having 95% of all permits processed via the web. While some progress has been made, the City is not on track to meet this goal.

San Diego is one of America's most cutting-edge cities. We have one of the few airports in the nation that offer free WiFi for travelers, we are a leader in CleanTech, BioTech, and other emerging technologies. But our city is behind the times when it comes to online capabilities to process permits, pay bills, and other online activities that other cities feature.

In addition to offering basic permit and license applications and renewals online, the City should create eWizards that provide one-stop access to compliance information and permitting processes for specific industries.

In his Small Business Action Plan, DeMaio proposed the City start with the restaurant industry to pilot the first eWizard. It was modeled after a highly successful program in New York City and cuts down on compliance time and cost in this sector of the economy that has one of the highest percentage of small business owners.

Cities That “Get It:” ePermitting

Sacramento

On the “Doing Business in the City of Sacramento” section of their website, Sacramento provides a comprehensive list of downloadable permits applications accompanied by a description of the types of businesses that must apply for each of the permits.

Los Angeles

The “Business Services” section of the City of LA's website includes a “Most Popular Downloads” section which provides downloadable applications for the permits most commonly requested by business owners. Additionally, the site includes links to important resources outside of the City, including a link to the Secretary of State to check business name availability and a link to an application to file a DBA with the County of Los Angeles.

San Jose

The City of San Jose provides a comprehensive list of all permit issuing departments within the City, along with a description of the types of businesses that must obtain permits from each department. Similar to the City of Los Angeles, San Jose's website also contains links to several important outside resources.



Economic Strategy 2

Target Emerging Sectors

The following reforms provide a targeted plan to encourage the growth of jobs within emerging sectors, which provide some of the highest-paying careers with bright futures in San Diego.



Reform 2.1 –Designate “Job Sector Coordinators” to Trouble-Shoot Problems in Economic Sectors

When city regulations have your business down, or when you can't get a straight answer from a city department, who can you call?

Carl DeMaio is proposing the City of San Diego create “trouble-shooters” who can specialize in specific economic sectors.

With the recent streamlining of Business Improvement District reimbursement policies (led by Councilmember Carl DeMaio), the City's Office of Small Business should now have more time on its hands. Therefore, DeMaio is proposing that existing staff at the Office of Small Business be repositioned to serve as **Job Sector Coordinators** in targeted business sectors. Rather than a staff that deals with any and all businesses, the City should have experts in targeted fields pro-actively working to attract, expand, and grow these businesses.

Some of the sectors which should initially be targeted include:

CleanTech

Real Estate

Biotech/Life Sciences

Manufacturing

Restaurants & Retail

Tourism

Defense

Maritime

Each Job Sector Coordinator will establish direct relationships with business trade groups and assist in policy formulation and advocacy for that sector. More importantly, the Job Sector Coordinators would serve as ombudsmen to trouble-shoot and address problems that businesses in each sector are having with city departments and regulations.

Reform 2.2 – Monthly Regulatory Relief Town Halls By Economic Sector

In the 1990s the City of San Diego occasionally held “Regulatory Relief Days” where the Mayor, City Council, and city department managers all heard feedback from business owners. Unfortunately, that practice ended in the 2000s.

In January 2009, Councilmember DeMaio proposed the City Council reconvene Regulatory Relief Days. In May 2011, Councilmembers Tony Young and Lorie Zapf joined in calling for a Regulatory Relief Day – and finally in the fall of 2011 the City Council convened an evening meeting to hear input from business leaders.

The Regulatory Relief Day concept should be expanded to a regular, once-a-month occurrence where real reforms are discussed and acted upon so that businesses can experience regulatory reform in their pocketbooks and their ability to hire new employees.

This effort, which would call for a town hall each month (targeting twelve local sectors over the course of the year) would allow the Mayor and Council to interact directly with business owners, employees, and company executives to hear first-hand what their experiences are in their interaction with the City, get ideas from the city’s job creators, and field questions about plans for additional reform in the future.

Schedule of Mayor-Council Regulatory Relief Town Halls

January - CleanTech
February – Retail
March – Construction
April – Restaurants
May – BioTech
June – Maritime & Shipping
July – Defense Industry
August – Communications
September – Hotels
October – Tourism
November – Healthcare
December – Manufacturing & Heavy Industry

Reform 2.3 – Design the Balboa Park Centennial Celebration Around a “World Innovation Expo” to Highlight San Diego’s Most Innovative Sectors

San Diego has a huge opportunity to increase tourism and market all other sectors of our city to the entire world in three short years.

In 1915 the City of San Diego hosted what was essentially a Worlds Fair (because of its scope and lasting heritage). This event, the Panama-California Exposition, brought visitors from around the globe to see San Diego and the innovative new technologies which were rapidly changing the way we lived.

The event was kicked off at midnight on January 1, 1915, when President Woodrow Wilson touched a Western Union telegraph key in Washington, D.C. This signal travelled across the country and the spark flooded Balboa Park with electric illumination and set off a fireworks display. Never before had people seen such technologies.

In 2015 the city will celebrate the 100-year anniversary of that historic exposition by hosting a simila year-long celebration, centered around Balboa Park, whose many beautiful exhibit halls and structures were built for the original exposition. The event will be a citywide celebration, however, to coincide with other major events throughout 2015.

As city leaders and the Host Committee work to determine what the overarching theme of the exposition should be, **Carl DeMaio is recommending that the event be branded and marketed as the “World Innovation Expo,”** which will feature a rolling series of Innovation Summits and Tradeshows that highlight innovation in specific sectors.

In addition to bringing tourists into San Diego and boosting the economy, the World Innovation Expo will allow San Diego to feature its own local businesses and talent in the respective Summit areas.

A Host Committee has been established, under the direction of the Mayor, to plan the overall centennial celebration. Should the Host Committee agree with the Innovation Summit Concept, DeMaio is proposing working groups be assembled to plan, market and execute each of the ten Innovation Summits.



10 “Innovation Summits” for the San Diego World Innovation Expo

Biotech & Life Sciences

Clean Tech

Defense

Maritime

Design & Construction

Aerospace

Communications

Healthcare

Transportation

Computer Technologies

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- **Summit Topic Selection and Production Team:** This working group will identify a list of topics, speakers, and presentations that will be included in the Summit. It would partner with established trade associations to produce the actual event. Ideally, each Innovation Summit would coincide with the roll out of at least one major innovation – similar to Apple rolling out the iPad. The Production Team would run a nationwide contest in each innovation topic area, giving priority to local San Diego companies, to see what innovations would be featured at the event.
- **Marketing and Sponsorship Team:** This working group will identify companies from around the globe to sponsor the Summit and showcase their technologies. It would also oversee event marketing to attract as many attendees to the Summit as possible.
- **Local Business Development Team:** This working group will identify opportunities to connect local businesses to the attendees of the Summit and pursue a wide-range of business development opportunities.



Looking Back... as We Look Ahead to the Centennial Celebration

The 1915 Exposition focused the attention of the world on San Diego, with the final tally of guests over 2 million. As the population of San Diego was 50,000 at that time, that was 40 guests for every resident. The Exposition did what all successful events of this type do – **it changed San Diego and its people forever.** It transformed the cityscape, created new opportunities for San Diegans, produced civic pride, and left a magnificent legacy of beautiful gardens and signature architecture. It changed the local and national identity of San Diego, and visitors saw what determined, innovative, entrepreneurial people can do when given the opportunity.

While the primary venue of that event was the fledgling Balboa Park, **the overriding theme was a celebration of progress, prosperity and opportunity as represented by the completion and opening of the Panama Canal and the location of San Diego as the first U.S. port-of-call for northbound maritime trade.**

Reform 2.4 – Make San Diego a Leader in Transitioning to a Renewable Economy

The next big wave of innovation and economic growth will be fueled by the global transition to sustainable living – in terms of water conservation, renewable energy, materials reuse, and smart design.

San Diego must position itself at the forefront of that global transition – both for companies operating locally and for the manufacturers of CleanTech products and services.



- **Create a Sustainable Living Retail Expo:** Councilmember Carl DeMaio is proposing a Sustainable Living Retail Expo be created in partnership with a non-profit for Clean-Tech startup companies to demonstrate and sell their products and services. The Expo will be marketed to a strong consumer base in San Diego County. Focused on sustainable living, this innovative project will not only provide a cost-efficient operating environment for emerging Clean Tech companies and others, but will also allow them to attract the customer base necessary for a start-up company to graduate to “steady state” status.
- **Eliminate Solar Permitting Fees:** San Diego is blessed with sunshine and has historically been a leader in solar power. Unfortunately, San Diego risks losing its solar leadership position due to increased costs and regulations from government. Two years ago, the City dramatically increased its solar fees – by 600%! While some fees have since been restructured, the City is imposing costs on an investment it should be incentivizing. As such, DeMaio proposes the complete elimination of solar fees.
- **Secure Approval to Establish PACE Programs:** Assembly Bill 811 (AB 811) was passed by the California State Legislature and signed by the Governor in 2008. Also called “PACE” programs, or “Property Assessed Clean Energy” programs – the legislation authorizes all cities and counties in California to designate areas in which property owners can voluntarily assess themselves to finance the installation of solar and other renewable energies, as well as energy efficiency improvements (as long as the technology is permanently fixed to the property owner's residential, commercial, industrial, or other property.)

Under some models of the program, property owners can get a loan for specific energy improvements, such as:

Windows

Solar

HVAC

Insulation

Refunds for energy efficiency loans on their property-tax bill

These financing arrangements now allow property owners to finance renewable generation and energy efficiency improvements through low-interest loans that can be repaid as an item on the property owner's property tax bill.

AB 811 now provides a means to help overcome financial barriers to the installation of energy efficiency and renewable energy improvements to homes and businesses in California by making it easier for homeowners and businesses to finance these types of improvements.

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AB 811 also helps further the California Public Utilities Commission's goals of promoting energy efficiency and renewable generation.

As the *North Bay Business Journal* has reported, "A Sonoma County program allowing for energy-efficient upgrades to buildings has already begun to create much needed contracting jobs, and according to a recent outlook report could create thousands more. The Sonoma County Energy Independence Program is a financing vehicle for energy-efficiency improvements like insulation, windows, solar and more."

Dr. Rob Eyler, the chair of the economics department at Sonoma State University and the director of the Center for Regional Economic Analysis, developed an employment and economic impact analysis and estimation for SCEIP. Eyler said the construction spending in Sonoma County in 2009 showed an average of \$364,363 in spending generates one full-time equivalent job in construction. He estimates that if SCEIP reached \$1 billion in cumulative spending by September of 2012, 11,270 new jobs would be created; if the program reached \$500 million, 5,635 would be created; if \$100 million, there would be 1,127 new jobs. For this estimation, about 75 percent of the jobs would be in construction services, both residential and non-residential.

The Western Riverside Council of Governments, a Joint Powers Authority in Riverside County, CA, also offers low interest loans to property owners in Western Riverside County for the purchase and installation of energy efficiency and water conservation improvements as part of their PACE/AB 811 program. Loans to property owners will be repaid over a period of years through voluntary annual property tax assessments.

Councilmember Carl DeMaio will work with local leaders to secure approval for as many AB 811/PACE programs as possible in the City of San Diego. While working to secure approval for programs geared towards homeowners, he will make an equal effort to ensure that businesses receive the benefit of these programs as well by proceeding forward immediately on a PACE program for commercial and industrial facilities. From small businesses to large companies and industrial facilities, the impact of these programs can be large.

Additional Efforts: Protecting San Diego's Solar Industry from Damaging Utility Rate Changes

A current proposal to change San Diego Gas & Electric's energy rates could have a detrimental effect on San Diego's solar industry. Carl DeMaio has spoken out against rate changes which would stifle this industry, which is currently the fastest-growing in San Diego County.

DeMaio continues to work with all parties to ensure a fair, and reasonable outcome to this process, which is currently working its way through the California Public Utilities Commission (PUC).

On January 18, 2012, the PUC agreed with DeMaio and countless Clean Tech advocates by rejecting SDG&E's rate proposal. It is vital that city leaders continue to fight for rate cases that provide incentives for the transition to renewable energy.

Reform 2.5 – Launch the “Tourism 2020 Plan” – Strategic Initiatives to Hit \$300 Million in TOT Revenue by 2020

Tourism is one of San Diego’s largest economic sectors- and there are endless opportunities to grow.

The City of San Diego currently receives over \$139 million annually in revenues to the city budget from the tourism economy in TOT revenue alone, with an additional \$13 million more from tourism-generated sales tax. In addition to generating these funds for city services, tourism accounts for more than 160,000 jobs locally – and \$7.9 billion in annual economic activity.



In May of 2010, Councilmember DeMaio challenged the tourism industry to begin work on a strategic plan that will expand San Diego’s tourism economy – and he set a goal of generating at least \$300 million in tourism tax revenues annually for the City of San Diego by 2020.

By issuing this challenge, DeMaio’s selection of a \$300 million TOT revenue goal presumes the tourism sector is able to attract millions more visitors by 2020 – creating jobs in the construction and operation of hotels, attractions, and support services.

Pursuant to this request, the Tourism Marketing District (TMD) is finalizing a long-range Strategic Plan to guide investments and policies for tourism promotion – and has indicated that the goal set by DeMaio is feasible.

Using the \$300 million figure as a motivator, DeMaio wants to see city leaders set their sights on 2020 as a benchmark for the expansion of San Diego’s tourism industry.

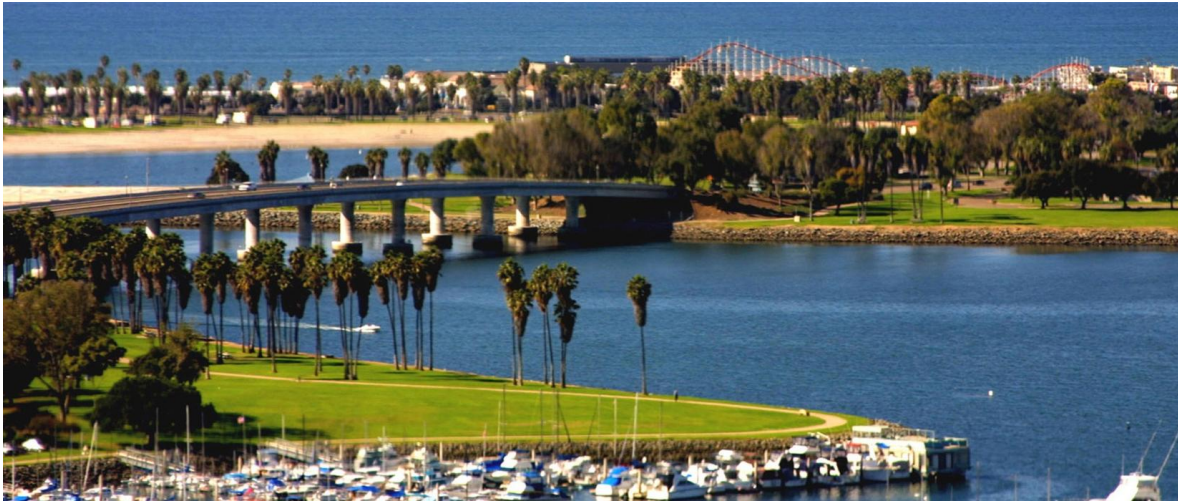
DeMaio has requested that the Strategic Plan be presented by tourism industry leaders for approval by the City Council. Moreover, with recent City Council approval of the TMD for forty years, DeMaio proposes to require that the annual TMD Management Plan set clear goals and measures for the implementation of the long-range Strategic Plan.

What is the San Diego Tourism Marketing District?

The San Diego Tourism Marketing District is a nonprofit organization consisting of 183 lodging business owners and managers committed to maintaining San Diego's leadership in the visitor industry. This collaborative effort is modeled after Tourism Business Improvement Districts (TBID) — types of partnerships in which business owners self-assess fees and use them to create demand for tourism.

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As an immediate jump-start to the “Tourism 2020” Strategic Plan, DeMaio proposes the following:

1. Complete the Expansion of the Convention Center

Councilmember DeMaio strongly supports the expansion of the San Diego Convention Center as envisioned in the “Phase 3” Proposal – and is pleased that the tourism industry took up his challenge to provide the bulk of financing for the project. DeMaio also proposes that the financing agreement includes mechanisms to minimize or eliminate the need for General Fund subsidies to the Convention Center. Finally, city leaders should appoint board members who are committed to more aggressively drive the marketing and operation of the Center to ensure a strong focus on cost recovery and more accountable goals for generating hotel room nights for each convention booked.

2. Develop the Mission Bay Master Plan for the Expansion of Recreational and Entertainment Facilities

Mission Bay can be a far more attractive destination for tourists if the City improved its management of this important regional asset. Councilmember DeMaio believes city leaders should pay as much attention to Mission Bay improvements as they have to downtown improvements. DeMaio proposes that Mission Bay lease revenues be maximized and invested back into the park through an expansion in the Mission Bay Improvement Fund program. In addition, a Program EIR covering a wide-range of tourism, entertainment activities, and special events should be conducted to make Mission Bay more attractive to private investment. Finally, the City should aggressively pursue public-private partnerships to improve the quality and quantity of recreational facilities and services available.

3. Aggressive ROI Analysis from Tourism Marketing District (TMD) Promotions

The San Diego Tourism Marketing District is a nonprofit organization consisting of 183 lodging business owners and managers committed to maintaining San Diego’s leadership in the visitor industry. This collaborative effort is modeled after Tourism Business Improvement Districts (TBID) — types of partnerships in which business owners self-assess fees and use them to create demand for tourism.

Councilmember DeMaio wants to ensure that investments made by the TMD are monitored and analyzed to ensure a profitable return on investment for the local economy.

It is vital that the TMD stay focused on ROI for their promotional investments.

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4. Overhaul the Special Event Permit Process

Special events are a part of the San Diego lifestyle. From Balboa Park December Nights to Fourth of July fireworks shows, we all enjoy these events with our friends and families. These special events are also critical to our tourism industry.

Unfortunately, special events face severe regulatory hurdles. Fireworks shows, for example, are popular and time-honored traditions that add to the spectacular quality-of-life that San Diegans enjoy. However, some have recently attempted to halt these firework shows under the claim that they violate the California Environmental Quality Act. DeMaio strongly supports state legislation clarifying CEQA rules to reduce regulatory burdens on special events.

DeMaio is also proposing that the Special Event Permit Process be streamlined and regulatory hurdles be removed through Program EIRs so that trusted event organizers are more easily able to hold these economic engines, which bring tourists and native San Diegans alike out to enjoy all that the city has to offer.

5. Expand Sports Tourism

Additionally, the "Tourism 2020" Plan should target the growing "sports tourism" industry. Tens of thousands of visitors travel to San Diego each year to watch and take part in sporting events. ConVis and the TMD should make a particular effort to attract sports events, both spectator events (like college football bowl games) and those which individuals travel here to participate in (such as marathons.)

6. Expansion of San Diego Hotel Capacity

Attracting more visitors to San Diego requires ample hotel room capacity. For many of our largest events San Diego experiences hotels at full capacity. Comic-Con for example, causes visitors to stay in some of the furthest reaches of the City during their trips here because of entirely full hotel capacity in Downtown, Mission Valley, and surrounding central areas.

With financing easing up and a convention center expansion likely in the future (not to mention the added tourism we are expecting for the year-long 2015 Centennial Exposition), it is the city's responsibility to ensure that we encourage and enable the expansion of hotel capacity over the next five years.

Facts About Tourism

One out of every eight people in the US civilian workforce is directly or indirectly employed in travel and tourism. Each day in the US, tourists spend \$1.4 billion, which translates to \$60 million an hour, \$1 million a minute and \$17 thousand a second, according to the Travel Industry Association of America.

For San Diego County, the economic impact of travel and tourism is just as dramatic. In 2003, 26.4 million visitors poured \$5.3 billion into the local economy, making the visitor industry San Diego's third-largest, following manufacturing and the military.

In fact, San Diego hotel occupancy ranked third in the nation last year, according to a report released recently by Smith Travel Research (STR) that listed occupancy levels for the top 25 national markets for calendar year 2003.



Part of that process will include the reforms listed in the *Pathway to Prosperity*, which will allow faster turn-around time on permits, e-permitting, and self-certification, but the City should also consider a program EIR for areas of the city which will see the greatest expansion of hotel capacity. A program, or master, EIR allows for the environmental impact and mitigation for development in an entire area to be done at once, allowing each individual project to more quickly move through the process. More information about Program EIRs can be found in Reform 1.4.

7. Examine a New Chargers Stadium and “Sports and Entertainment District” Downtown

The Mayor is currently working with the San Diego Chargers to try and build a new stadium in Downtown San Diego, adjacent to Petco Park. Unlike sports complexes in the past, which are sometimes used only a few weekends out of the year, Councilmember DeMaio prefers the conversation focus on a facility that could be used year-round for multiple events, not just football games. DeMaio strongly supports the concept of a sports and entertainment district, where the stadium will include event space which could complement conventions at the nearby convention center, restaurants, theaters, and other related entertainment venues.

However, taxpayers have been burned in the past by unfair and flawed deals. If this project moves forward, **Councilmember DeMaio is committed to ensuring that:**

- The City caps its participation in the project at current Qualcomm Stadium levels
- It protects taxpayers against any cost over-runs, and includes strong accountability and audit provisions.
- It will be a multiple-use facility
- It will require the help of regional partners like the County of San Diego and other local cities.
- It will require public private partnerships, notably the Chargers organization
- And most importantly, **it will require a vote of the people.**

8. Related Pathway Strategies to Promote Tourism

In addition to the strategies outlined above, Pathway Reforms 5.4 (Increasing airport capacity) and 6.3 (Tourism marketing to the Asia-Pacific) also helpful fulfill the goals of the Tourism 2020 Plan.

Reform 2.6 – Anchoring our Military and Defense Industries: Getting the Navy Broadway Complex Completed



Sometimes one singular project can set the tone for an entire industry- the Navy Broadway Complex is one such project, and we must get it completed.

With the Convention Center expansion and North Embarcadero projects underway, the City has an opportunity to dramatically revitalize our waterfront and expand our downtown jobs base with the successful building of the new Navy Headquarters for its west coast operations.

The Navy Broadway Complex (NBC) is planned to be the new headquarters for the Navy's Western region. San Diego Harbor has the capacity to be the largest Navy port in the world and it already provides thousands of jobs and tremendous economic activity for the city and region. With the successful build-out of the Navy headquarters, the City will be sending a strong message to Washington that we value the military in San Diego and the defense contractors that have facilities here.

Navy Broadway Complex Facts

12-acre site along San Diego's Embarcadero

Economic impact of nearly \$850 million

Would create more than 5,300 jobs initially

Would create 7,400 total jobs by 2022

The recent debt deal enacted by Congress requires cuts to federal spending, including significant cuts to military spending. This makes it likely that a new round of Base Realignment and Closures (BRAC) will occur. With completion of this important project, San Diego will be in a prime position during the next round of BRAC deliberations to not only defend our current share of military facilities, but to aggressively pursue military functions across the nation for relocation and consolidation in San Diego.

The California Coastal Commission has taken issue with the approved NBC project and continues to try to shut down the implementation with legal action. In fact, the Coastal Commission voted to hold up the project at their October meeting, despite the efforts of Carl DeMaio and many other business, civic, and defense industry leaders speaking out about the importance of the project.

DeMaio proposes that the City include as part of its federal legislative outreach an effort to secure additional funding for the project, aggressive outreach to the California Coastal Commission to resolve their objection to the project, and a commitment to expedite all reviews of permits for substantial conformance with the development agreement.



Strong support for expanding the Convention Center and decades of talk about the North Embarcadero Visionary Project proved vital in moving those projects forward. Similarly, completion of the new Navy headquarters must receive vocal and sustained attention from city leaders to ensure success, and that is something that all city leaders should be doing.

Reform 2.7 – Create a “San Diego Defense Realignment Task Force” to Aggressively Lobby to Protect and Expand Defense Jobs in San Diego

The defense industry is one of San Diego’s oldest, most historically significant, and strongest industries, providing every level of employment, from entry-level positions to high-paying careers for engineers, managers, and others.

However, it is also an industry which is tied closely with the military’s presence in San Diego, and therefore constantly under the threat of the military repositioning elsewhere as the Department of Defense realigns its entire force structure and considers a new round of Base Realignment and Closure (BRAC) hearings.

Keeping a strong and robust defense industry in San Diego is one of Councilmember Carl DeMaio’s key priorities, which is why DeMaio is calling for the city to work more closely with the San Diego Military Advisory Council (SDMAC) to partner in their efforts to advocate for this industry. This must happen locally (by pushing for pro-business, pro-defense job creating policies) and in Washington, D.C. (where decisions are made that affect millions of dollars in funding for this industry in research and development.)

Completion of the Navy Broadway Complex is key to this effort as it will provide a new, state-of-the-art headquarters for the Navy, as well as generate pro-business policies for local defense contractors.

In addition to supporting the efforts of the San Diego Military Advisory Council, Councilmember DeMaio also believes that the City should create a 10-person “San Diego Defense Realignment Task Force” to provide a central and sustained focus to lobbying efforts to promote San Diego and its defense capabilities as realignment decisions are made and when the BRAC process re-starts. The Task Force will include 5 members of the SDMAC, paired with 5 influential San Diegans who have strong relationships with decision-makers in Washington.



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Reform 2.8 – Moving Forward on the “IDEA District” Downtown

Within the next five years, San Diego has the opportunity to generate new economic growth, revitalize a distressed and neglected neighborhood, and provide an innovative, vibrant urban center for creative minds to live, work and enjoy the amenities of Downtown San Diego.



San Diego’s Gaslamp District, Little Italy, and East Village have seen a remarkable change in the last decade. Once downtrodden, dilapidated neighborhoods, San Diegans now enjoy new restaurants, nightlife, and the ability to live in the thousands of new condos, apartments, and liveable spaces which have sprung up within San Diego’s urban core.



This development continues to move eastward, and two developers have laid out a vision for the continued revitalization of the East Village in the “I.D.E.A. District, which stands for innovation, design, education and the arts.

This design and educational district would encompass 35 city blocks, and could generate an estimated 10,000 jobs downtown and \$1.8 billion in new construction, according to developers David Malmuth and Pete Garcia.

As the *San Diego Union-Tribune* recently reported, the project could mean **3 million square feet of offices and design studio space; 600,000 square feet of retail and restaurants; and 2,200 new apartments.** The job count is based on similar design-oriented districts such as Barcelona, Spain, Helsinki, Finland, and Portland, Oregon, where architects and top-end designers can earn six-figure salaries.

The goal is that this district would represent a new economic cluster that would complement San Diego's high-tech and biomedical clusters that have been founded by local colleges and universities' faculty and alumni. But as Malmuth said when asked about the project, “It won’t happen by accident. It takes a great deal of focus and intention to make this happen... but it’s a game changer.”

Carl DeMaio believes that this proposal, which could provide new jobs, new career opportunities, and a major economic revitalization of a currently distressed neighborhood, is exactly the kind of innovative vision that San Diego needs for future development.

While there are many concerns and uncertainty about the future of the San Diego Redevelopment Agency, given a recent ruling by the California Supreme Court, DeMaio is committed to pursuing bold new ideas, like the I.D.E.A. District, to improve the quality of life and economic opportunities available to San Diegans.



Economic Strategy 3

Promote Small Businesses

Supporting small businesses helps create jobs for San Diego's working families and allows them to grow into larger companies.

DeMaio's strategy includes: technical assistance and advocacy, permitting and code enforcement, keeping taxes and fees low, and opening access to city contracts.



Reform 3.1 – Expanding Neighborhood Business Improvement Districts (BIDs)

Business Improvement Districts provide an important resource to many of San Diego's small business owners. They should be expanded so that even more businesses can enjoy the benefits they provide.

The City of San Diego has seventeen neighborhood Business Improvement Districts (BIDs) that exist to provide advice, promotion, and support services to small businesses.

Some notable BIDs include the Gaslamp Quarter, Little Italy, Hillcrest, and others. They allow these small businesses to work with the City and pool their resources to promote themselves and organize events, like street fairs and farmers markets, to increase business and improve their neighborhoods.

Unfortunately, some BIDs had experienced cash-flow problems in receiving proceeds of business assessments collected by city government due to delays in the city's accounting and review processes.

In his 2010 "Open for Business" Small Business Action Plan, Carl DeMaio proposed reforms to the City's Business Improvement District program. DeMaio spent the next year working with the BIDs, as well as other members of the City Council to enact reforms and allow direct payment, rather than the bureaucratic reimbursement process.

In July, the Council voted unanimously to approve DeMaio's reform, thereby replacing the complicated and frustrating reimbursement policy with a more simple direct payment approach.

But more can and must be done to support small businesses through BID reform! That is why Carl DeMaio is continuing his support for San Diego's Business Improvement Districts by proposing the following reforms:

"BID reform is vital to ensuring that San Diego's Business Improvement Districts are focused on promoting, serving, and advocating for their small business members – rather than being caught up in the costly bureaucratic process at City Hall."

– Carl DeMaio



Councilmember Carl DeMaio with Council President Tony Young and Councilmembers David Alvarez and Lori Zapf announcing their support for BID reform last year

Establish Additional Neighborhood BIDs: There are many small neighborhood business districts that could benefit from the expansion of the BID program. City leaders should work to educate small businesses city-wide about the ability to form and benefit of forming BIDs. For example, the Morena corridor is moving forward on plans to create a Business Improvement District, with the help of Councilwoman Lorie Zapf.

Establish Industry-Specific BIDs: The Tourism Marketing District (TMD) has been highly effective in attracting tourists to San Diego and driving business to the local hotel industry. Taking a page from the success with TMD, Councilmember DeMaio would support the establishment of additional industry-specific BIDs.

Hold BIDs Accountable for Return-on-Investment: Some BIDs are more effective than others in attracting business to their members. Councilmember DeMaio proposes to help the BID Council develop strategic planning meetings for each BID to assist in the development of clear goals, performance measures, and targeted strategies to improve the ROI and effectiveness of BID activities.

Reform 3.2 – Expand Local Small Business Incubators

Small Business Incubator Centers have proven to be successful in helping startup companies get off the ground in many other cities. We should be aggressively pursuing more of these and improving the ones we currently have.

In Austin, Texas, where Carl DeMaio traveled earlier this year, the Austin Technology Incubator currently supports 28 companies and has helped 50 companies receive \$75 million in capital over the last 3 years. Best of all: It has produced an economic impact of \$100 million in the region and graduates 6-8 companies each year.



San Diego has several small business incubators – with some demonstrating more success than others. EvoNexus has provided a successful model to follow by providing the only community-supported, fully pro-bono technology incubator. They provide full services – furnished office space, domain experts and mentors, and the opportunity to leverage our wide network of business and venture capital contacts – to start-up companies striving to achieve sustainability. San Diego, as tech leader, should have more than just one incubator like this.

DeMaio proposes the City work with our local universities and trade associations to support expansion and improvement in our Small Business Incubators with the following strategies:

- **Utilize a Sector-Specific Approach:** One of the most important ways to make a small business incubator successful is to target a sustainable and fruitful emerging sector and related support sectors. By focusing incubator efforts by sector, important synergies can be created.
- **Emphasize Mentorship by Industry and Business Leaders:** Another key ingredient is to provide mentorship to small business entrepreneurs in how to transition an innovative idea to a “steady state” business operation that demonstrates organizational maturity to attract investment capital and bring products to market. This requires both technical advice from industry leaders and basic business planning and management advice from business experts. By tapping local universities and trade associations, DeMaio proposes creating “mentorship teams” for each incubator of leading industry and business management experts. This kind of talent is expensive for most companies – and incubator participants will benefit greatly from having access to free or greatly reduced advice and counsel.
- **Provide One-Stop Government Assistance:** For each incubator, DeMaio is proposing a liaison to assist with city, county, and state permitting and regulatory requirements.

Reform 3.3 – Expand Small Business Access to City Contracting Opportunities

Many of San Diego's small business owners would like to bid on city contracts. Unfortunately, the process to bid on those contracts can be confusing and overwhelming for many small businesses. Even large companies have found the process difficult to navigate, with some opting out of the application process altogether.

Many times the City requires specialized professional, technical, and other types of services and contracts with private companies. These opportunities are made available and advertised through the issuance of Requests for Qualifications (RFQs), Requests for Proposals (RFPs), and invitations to bid.

The problem actually goes deeper than the process itself. The entire Purchasing and Contracting Department has been plagued with problems, such as unusual requirements or guidelines for the bidding process which do not fit the private sector norms for the same work. This is in addition to the problems with the process in general outlined above.

The Pathway to Prosperity lays out several reforms to open up these opportunities for local businesses and clean up the contracting process, thereby allowing more access to these opportunities for San Diego companies small and large.



1. Make Managed Competition Program “Fair and Open”

Councilmember DeMaio has been the City's foremost advocate for managed competition for much of the last decade, even pushing for reforms to require every city department to go through the process.

However, one major problem with the current managed competition process is that it is not fair and open. The system provides an unfair advantage to City staff because the pension and OPEB benefits provided to them do not have to be taken into consideration when putting their bid together, whereas private companies must factor in retirement, 401k and other costs.

Additionally, if savings from private companies bidding do not add up to ten percent or more over current costs, the City staff automatically wins the bid.

These special benefits, which slant the process in the favor of City staff, need to be done away with. The managed competition process should be truly fair and open, and true savings need to be examined and moved forward on.

2. Improve Implementation of Small and Local Business Programs

Councilmember Carl DeMaio wants the City to focus on attracting more local small businesses to take part in, and be successful at, the city's contracting process. Understanding that these contracting opportunities are also an opportunity to create jobs and potentially provide a boost to an emerging company, we should

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do everything we can to set up the process in a way that makes it user-friendly for small business owners (who have so many other things to take care of running their business.)

In July 2010, the City established a new program called the “Small Local Business Enterprise” program to encourage the participation of local small businesses in the city’s bidding and contracting process.

With this new program, contracts less than \$500,000 are considered “Minor Construction Projects” and are awarded through a competitive bid process open only to City of San Diego certified small businesses (called SLBE’s and ELBE’s). It should be noted in the examples above, that if no responsible bids are received, then these projects will be made available to all bidders.



However, the process has experienced problems in the past stemming from a continued unwillingness on the part of some small contractors to deal with the bureaucratic mess at City Hall. One way to address this, identified by the Associated General Contractors of San Diego, is to improve communication between departments. The Engineering and Capital Projects’ staff is knowledgeable about contractors and their ability to perform work, and they should be able to assist in “defining willing and available businesses in the area,” as the SLBE program calls for.

Councilmember DeMaio believes that in addition to streamlining the bidding process, which will naturally allow more small contractors to bid on projects, we must improve the implementation of small and local business programs by reducing the bureaucracy. The goals of these programs are laudable, but the process must be improved.

3. “Streamline City Contracting Rules and Regulations

The process must be simplified to allow companies to more easily bid on contracts and projects. While there will obviously be some variation between departments and the services required, there should be a set of simple guidelines that each department follows when issuing RFPs which requires them to make the process as simple and easy-to-use as possible. Business owners are busy enough as it is running their companies. Many of them do not have the time to try and navigate the current bureaucratic maze that we have in the city.

4. Post All Contracting Opportunities Online

When you currently do a Google search of “San Diego RFP” or even “City of San Diego RFP,” no single RFP access point comes up. The top result is one outdated RFP from 2006, followed by a difficult-to-use page for the Redevelopment Agency’s RFPs. There is no one-stop shop that is easy to find or use which provides a simple list of all the City’s outstanding RFPs across every department.

DeMaio is calling for the creation of a single website, which allows business owners to filter contracting opportunities by department, industry, and other filters to make it as user-friendly as possible.

The process should also be explained in an easy-to-understand way so that busy business owners don’t have to wade through hours of research just to know how to be successful in their bid.

Reform 3.4 – Enact Small Business Tax and Fee Reforms

Feasibility Study on Total Elimination of Small Business Taxes

It is Councilmember Carl DeMaio’s goal to eventually see small business taxes eliminated in the City of San Diego. In order to comply with state law, registration of small businesses will always be a requirement, but that should be moved entirely online, thereby eliminating the need for costly overhead, processing, and other fees. If we are to make San Diego California’s most friendly city to do business in, this would be a bold start.

Given the current financial situation of the City, a feasibility study should first be conducted to see how best to move forward on this goal. Until then, some reforms that Councilmember DeMaio has previously proposed can be acted on immediately.

Business Tax Holiday for New Companies & Tax Relief Amnesty

Councilmember Carl DeMaio proposes that the City of San Diego establish a 100-day “business tax holiday” to waive business licenses for new companies, and provide “tax amnesty” for existing businesses (to waive costly late fees, back taxes, and additional interest rate penalties).



During the 1990s the City of San Diego committed to eliminate its business taxes—but succeeded only in cutting them. Given the city’s fiscal challenges the Mayor and City Council may not be in the position to eliminate the entire tax at this time.

However, Councilmember DeMaio believes we can focus our tax relief to assist **new** small business as well as reduce some of the penalties and late fees being imposed on recently started businesses that were unaware of the tax requirement. The City may also be able to provide relief to individuals who are newly self-employed or are independent contractors.

A properly structured tax relief package can actually bring in more revenue for the city (as Los Angeles anticipates) or be revenue neutral (as has been Anaheim’s experience). In 2009, the City Treasurer had identified over 23,000 potentially unregistered accounts that could be collected during a well-publicized Tax Amnesty/Holiday period. Tax relief can have a positive impact short term for effected small businesses, while generating more revenue for the city over the long term through expanded enrollment in the Business Tax Certificate program.

Reduce Fees by Reducing Cost of Government Services

The City of San Deigo currently imposes a 100% “cost recovery” methodology in setting all of its fees. Unfortunately, those “costs” of government include bloated bureaucracies and lavish pension benefits. By implementing Councilmember DeMaio’s Roadmap to Recovery Reforms, fees on all categories of permits, licenses and government services can be reduced to help small businesses.

Business Taxes in the City of San Diego

\$34 for a business with twelve employees or fewer.

\$125, plus \$5 per employee, for a business with thirteen employees or more.

All businesses located in San Diego City limits will be charged an additional \$17 fee for Zoning Use Clearance fee upon initial application.

A look at business tax reform in other cities:

Anaheim

In 2005 Anaheim Mayor Curt Pringle established a 100 day "business tax holiday," which waived the business license tax from new businesses that registered with his city. The effort proved fruitful; more than 2,000 new businesses were formed within the three and a half month holiday, a 33% increase from the same time length the prior year. Mayor Pringle also included a tax amnesty provision in his holiday initiative, which 550 enterprises ultimately participated in, receiving a waiver from costly late fees, back taxes, and additional interest rate penalties.

Los Angeles

Los Angeles has also successfully implemented such programs, hosting at least three license amnesty initiatives in the last fifteen years, including a 2001 program that yielded more than \$14 million in tax revenue and a six month tax amnesty that netted \$5 million in 2002. Now facing a \$440 million budget deficit, Los Angeles Mayor Villaraigosa is pressing for a new business tax amnesty that is projected to haul in approximately \$5 million beginning this fiscal year.

Economic Strategy 4

Make San Diego's Workforce the Most Competitive in the Nation

San Diegans must have the skills to compete for jobs in the emerging economy.

This strategy includes proposals to develop the local workforce, starting with the particularly challenged youth and veteran segments of the workforce by encouraging partnerships and innovative new proposals.



PATHWAY TO PROSPERITY

Economic Prosperity Plan for Job Creation

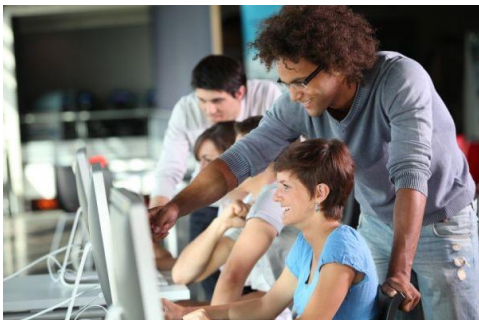


Reform 4.1 – Improve Efficiency and Effectiveness of Workforce Training Programs

The San Diego Workforce Partnership (SDWP) is a partnership between the City and County of San Diego that manages funds for job training programs.

The Partnership focuses on enabling eligible adults to develop the skills and knowledge needed for emerging career opportunities within fields such as green jobs, healthcare, and clean technology.

The main source of SDWP's funding is from the United States Department of Labor through the Workforce Investment Act. SDWP also applies for funding through competitive state, federal, and foundation grants.



Take a greater leadership role in SDWP

The City should take a greater leadership role in the governance and policy-setting at SDWP. Councilmember DeMaio is proposing that the city seek a revision of the SDWP "Memorandum of Understanding" (MOU) with the County so that the Mayor of San Diego appoints the Board Chair and two board members, giving the City three representative positions.

Cut overhead costs by one-third and cap for five years so more money can go toward actual training programs

The SDWP has far greater overhead than it did when founded decades ago. The partnership currently has 56 full time equivalent positions (FTEs) and a central operations budget of over \$3.1 million. While this is a slight decrease from last year, it is more than the 2008-2009 fiscal year.



How do organizations and businesses access Workforce Partnership funding?

Public, private and nonprofit organizations can respond to requests for proposals that are relevant to their work. Vendors can also participate in the vendor requests for proposals process. Businesses can access funds through a customized training program or by providing on-the-job training opportunities.

Individual customers seeking job training assistance can get access to funds through individual training accounts, on-the-job training opportunities, customized training with a business, or contracted training with an approved public institution or higher education. All of these options can be accessed through the SDWP's local career network.

Through their collaboration with service providers, the San Diego Workforce Partnership funds programs that provide eligible youth, ages 14-21, with work experience and assistance with work readiness. Funded programs serve eligible youth who are interested in furthering their education and career goals.

Who Is Keeping Score on Workforce Data?

The San Diego Workforce Partnership serves as a vital source of information on the region's present and projected labor market. The SDWP research team analyzes workforce needs and trends in San Diego County for educators, trainers, employers and researchers. They report on San Diego County's overall economy, including wages and salaries, occupational projections, and employment statis

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These operating costs must be reeled in so that more of their funds can go directly to the people who need them; the unemployed, under-employed, and job-seeking San Diegans. As a result, Councilmember DeMaio is proposing a cut to overhead costs of 33% -- and cap those costs for five years.

Expand Partnerships with Business, Academia, and Schools:

SDWP has several partnerships with local colleges and universities – as well as K-12 schools. In addition, a handful of companies help fund SDWP programs.

Councilmember DeMaio believes these partnerships should be aggressively expanded. Not only do partnerships provide more cost effective use of funding across organizations, but enhanced communication will reduce the overlap, duplication and fragmentation of job training services for different client groups.



Reform 4.2 – Pilot a “Work-Study San Diego” Program in the STEM Disciplines

One of the biggest challenges facing local companies is the need to recruit quality employees with skills in STEM – Science, Technology, Engineering and Math. The City of San Diego can help.

A large untapped resource for job creation in San Diego are the many students from around the country and around the world who desire to live, work, and study in San Diego. Many of the world’s brightest young minds would jump at the chance to relocate here for a time to expand their skill sets, and many would choose to stay in San Diego.



The “Work-Study San Diego” program would be funded much like the Tourism Marketing District is for the hotel industry, with pooled resources provided by participating companies and one central team managing the program to recruit work-study participants. A limited number of students would enroll in a program which would encompass the following:

Classes at local universities (Certificate and Degree Programs)

Working hands-on at a San Diego company

Networking and Alumni programs to encourage long-term job placement and recruitment of additional participants

Councilmember DeMaio is proposing that the SDWP take lead in establishing a pilot program in partnership with a local university to serve a limited number of work-study participants. After one year, the results of the program will be assessed to determine whether the program met the needs of local business seeking individuals with STEM skill sets and whether program participants were satisfied with the work and study opportunities.



Reform 4.3 – Expand the “Hire a Youth” Program

To succeed in local emerging sectors, San Diego’s workforce must be equipped for success.

Youth must be equipped with the “soft skills” of professionalism and the “hard skills” that come from career-specific job training. At the same time, San Diego’s companies can benefit from cost-effective use of an entry-level labor force. Employers must recognize the training and work ethic learned by veterans in the military and better utilize those skills when hiring veterans.

The Hire-a-Youth Program

Working with several non-profit groups and local employers, the San Diego Workforce Partnership has sponsored the “Hire-a-Youth” Program to provide up to 1,000 at-risk youth with summer employment opportunities.

Councilmember DeMaio is proposing that the “Hire a Youth” program be significantly expanded to serve more of San Diego’s youth – with expanded eligibility and programming. Over the next four years, DeMaio wants to expand participation in the program to 5,000 students.

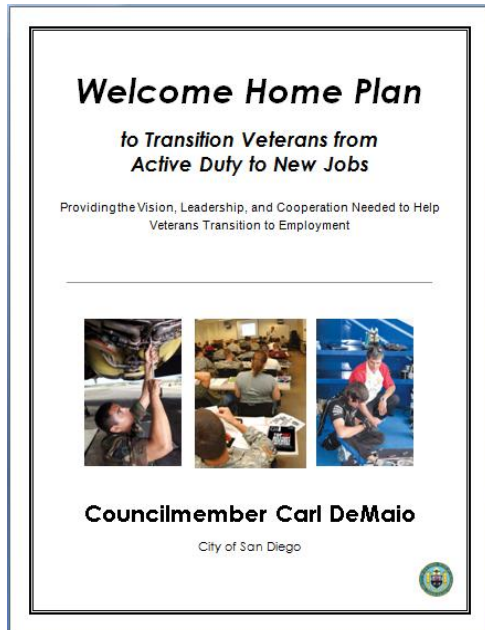


At-Risk Youth: 2,500 at-risk youth will be provided with summer job opportunities in an expanded version of the current “Hire a Youth” program. The program will be expanded through an aggressive effort to recruit more businesses to participate in the program and to redirect existing governmental funds to utilize summer employment to achieve project goals.

Work Readiness Academy: DeMaio proposes that the City partner with the school districts, local non-profits, and private employers to hold three “Work Readiness Academies” for students wishing to learn about the “soft skill sets” of professionalism. DeMaio points to Junior Achievement as one exemplary program that already works with fifth graders – but not all fifth graders have access to the Junior Achievement program, something DeMaio hopes to change with the expanded “Work Readiness Academy” initiative.

Emerging Leaders Program: For students that demonstrate exceptional academic performance and a desire to pursue a specific career track, DeMaio proposes leveraging existing Workforce Partnership funds with private business support to provide up to 2,500 high school seniors with a “work-study” internship that includes paid employment and on-the-job training sponsored by local trade organizations. The program will allow students to test out a career path in one of San Diego’s emerging economic clusters before fully committing through a path of higher education or continued employment with their sponsor business.

Reform 4.4 – Implement the ‘Welcome Home Plan’ to Transition Veterans to Jobs



Because the problem of Veterans unemployment is such a serious and unfortunate issue in San Diego, Carl DeMaio recently released a job creation proposal targeted **specifically** for San Diego’s returning service members.

As a proud military town with a large population of service members and veterans, San Diego must be a city committed to ensuring our veterans are successfully employed upon leaving the military and entering the civilian workforce.

There were roughly 200,000 more veterans in the labor force this June than there were a year earlier, according to the Bureau of Labor Statistics and the Los Angeles Times. (“Veterans Face High Unemployment After Military Service.” Los Angeles Times, July 11, 2011)

Unfortunately, a higher percentage of veterans end up without employment than the average population. In fact, recent veterans

face unemployment rates twice as high as the rest of the population, according to news reports.

(“Unemployment Rate Twice As High for Young War Veterans.” KPBS San Diego, November 23, 2010.)

We cannot stand by as those who fight to protect our freedoms return to civilian life unprepared to successfully enter the civilian workforce.

There are currently many organizations and volunteers already working hard to help veterans with job training. However, many involved with veterans’ job training programs explained at Carl DeMaio’s *Pathway to Prosperity* Town Hall Forums that there is a need for more coordination and cooperation between the various agencies, non-profits, and employers looking to hire veterans.

Veterans Employment at a Glance

Unemployment rate for California veterans age 18 to 24 is twice the average for non-veterans.

200,000 more veterans in the US workforce now than last year.

252,898 veterans currently in San Diego County.

Our city must provide a better framework for San Diego’s veterans to access the resources available to them.

The “Welcome Home Plan” provides seven reforms to help military members transition successfully into a civilian job upon their retirement from the military.

“We cannot stand idly by as returning veterans face unemployment rates twice as high as the rest of the workforce.”

- **Carl DeMaio**

An Overview of the Welcome Home Plan

Proposal 1 – Launch “Veterans Helping Veterans” volunteer initiative to assist with career training

Increase the City’s outreach to transitioning veterans and their families by recruiting and training peer mentors (veterans who have successfully transitioned to civilian life) to help them access services such as job and career training, housing assistance, and mental wellness/health care.

Proposal 2 – Partner with regional governments to provide a liaison to military “TAP” classes & encourage veteran employment within the City of San Diego

Work with the military’s existing “TAP” program to bring job opportunities and job training programs to the veterans who need them. These classes provide a great opportunity to recruit the best and brightest military veterans to the City of San Diego’s workforce. Additionally, the City must make changes to its hiring policies to attract and retain more veterans.

Proposal 3 – Partner with San Diego 211 to improve “one-stop” access for veterans’ resources

When San Diegans dial 211, they are connected to a live, trained Client Service Representative (CSR) who can navigate the county’s system of resources and, according to their website, “prescreen you for possible program and benefit eligibility, and connect you to the best military or veterans resources and benefit information based on branch of service, status of service including veterans and active duty, and by category, such as behavioral health, education, and employment.” We should better utilize this resource for veterans.

Proposal 4 – Work to streamline licensing and certification processes so that skills learned in the military can be more easily translated into a civilian job.

Many times, a veteran will have to go through the entire process of licensing and certification required in the civilian world to perform a task that they may have mastered during their time as a service member. While many of these skills are licensed and certified by the State of California, the City should partner with local trade organizations to determine which professions have the greatest need for reform in this area, and work with local state legislators to implement that reform in Sacramento to streamline the certification process for skilled veterans.

Proposal 5 – Ensure that the USO has a permanent facility in San Diego so that military members can integrate into San Diego life even before leaving active duty

The USO of San Diego currently operates in a City-owned building downtown. With the sale of that building likely coming within the next year, it is vital that the City of San Diego ensure that the USO, and all of the programs it brings to service members, continues to have a stable, permanent home in the City of San Diego. DeMaio proposes working with the USO to ensure that this important resource continues to provide support and assistance to San Diego military members and their families.

Proposal 6 – Creation of a “Military and Veterans Advisory Board” for the City of San Diego

The City should convene a Military and Veterans Affairs Advisory Board. This board, made up of veterans, service members, representatives from San Diego’s numerous military facilities and bases, and the defense industry, would provide guidance and advice on important issues facing the military and veterans. One of the first actions this board would be encouraged to take would be a partnership with the military’s TAP classes, aimed at transitioning outgoing service members into the civilian workforce. Details on that proposal can be found below.

Proposal 7 – Expanding city contracting opportunities to companies hiring veterans

Many of San Diego’s small business owners would like to bid on city contracts, whether it is a construction project or providing other services. Unfortunately, the process to bid on those contracts can be confusing and overwhelming for many small businesses. Even large companies have found the process difficult to navigate, with some opting out of the application process altogether.

While the City needs to make this process easier for all business owners, the Welcome Home Plan encourages a special emphasis to attract companies which employ a large number of veterans. Councilmember DeMaio is proposing that companies which will complete a project with at least 50% of the work done by veterans receive a 2.5% bid preference, and companies which employ at least 75% veterans on a project receive a 5% bid preference.

Economic Strategy 5

Rebuild and Improve Our Economic Infrastructure

We must provide the streets, highways, airports, rail capability, and port infrastructure needed to allow commerce to flourish in San Diego.



Infrastructure and Job Creation

Infrastructure is critical to a strong economy and creating quality jobs. San Diego relies on a vast network of roads, highways, rail lines, border crossings, airports, and the Port to move products, supplies, and employees throughout the region.

Not only is it bad for companies to have products sitting in trucks waiting in line at the border, or in traffic on Interstate 5; it also makes it less appealing to live here when potential new hires realize they will have to commute two hours every day in traffic.

Unfortunately, our infrastructure is becoming more and more strained and dilapidated as years of poor financial management has left San Diego with truly deteriorating infrastructure. That's why quality infrastructure begins with confronting the city's financial crisis.

SAN DIEGO'S INFRASTRUCTURE CRISIS AT A GLANCE

\$840 million

In deferred maintenance on infrastructure

\$378 million

In deferred maintenance on STREETS ALONE

\$116.6 million

**Annual street repair deficit if we address
the problem in 5 years**

50%

**Of San Diego's roads rated in POOR condition by a
national transportation research group**

\$654 per motorist

Cost of potholes, cracks, and poor road conditions

8th Worst

Road conditions among major cities in the United States

Reform 5.1 – Implement the “Save Our Streets” Infrastructure Management Plan

San Diegans know how bad our roads are. They have to put up with our city’s crumbling infrastructure every day.

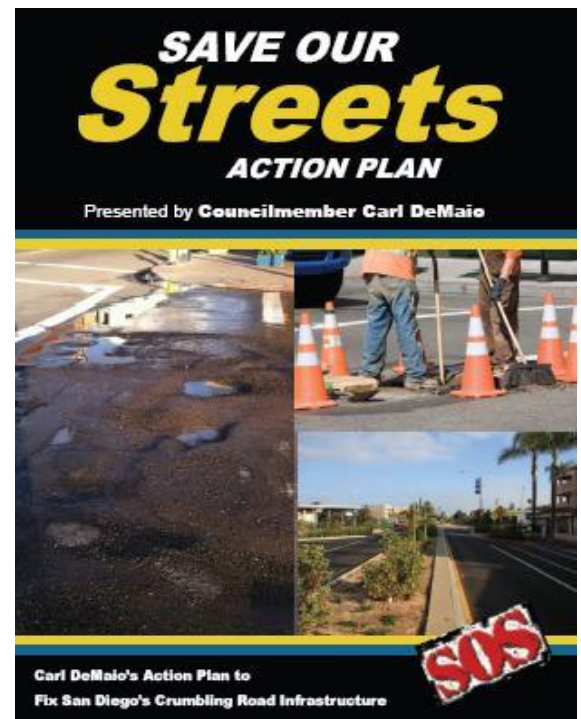
Whether its potholes which damage the alignment on a car or tax dollars wasted on shoddy repairs – all San Diegans are experiencing the high cost of City leaders who decided to put special interests above basic, but vital, infrastructure maintenance.

NEVER AGAIN CAN THIS HAPPEN.

Carl DeMaio has proposed seven detailed reforms in his “Save Our Streets” Action Plan for infrastructure improvement. Most notably, this proposal has identified up to \$497 million over the next five years to put towards road infrastructure repair without any tax increases.

San Diego truly does have an infrastructure crisis. Crumbling streets cause costly automobile damage, sinkholes are opening up due to cast-iron pipes rotting away underneath, and sewage has spilled into our ocean and bays because of faulty pumping infrastructure.

The following seven reforms will improve the quality of life for all San Diegans, and help improve our economic competitiveness.



SOS Reform 1 Being honest about San Diego’s real street repair deficit

The City has a total of \$378 million in outstanding street repairs to be done and no plans to pay for \$231 million of it! Additionally, the City should be spending \$89 million per year to maintain our roads, when in fact we pay \$26 million.

SOS Reform 2 Create an “Infrastructure Lock Box” to fund street repairs and maintenance

The City experiences a regular, anticipated growth in revenue year-by-year which is forecasted in the Mayor’s Five-Year Outlook.

The Lock Box proposal calls for that revenue growth to be put toward roads before anything else. Under the “soft cap” option, if the Lock Box Fund is pegged to FY 12 revenue levels, expected revenue growth over 1%, (incrementally increasing by 1% each year to 5% by year 5 to allow for some inflation) would allow a significant amount of money to be put specifically toward street repairs. If this “soft cap” Infrastructure Lock Box were implemented within the next year, **over \$335 million could be put into streets** during the next five years. If a “hard cap” is implemented and all revenue growth is put into the Lock Box, **the city could put \$497 million into streets over the next 5 years.**

SOS Reform 3 Create “Innovation Labs” under performance-based contracts to complete road repairs

The city’s current model for managing road repairs is as broken as the roads in San Diego’s neighborhoods. A simple patch job will no longer suffice – we must make major changes in structure, process, personnel, and incentives to get the job done.

SOS Reform 4 Strengthen and enforce the street repair warranty policy

When utility companies and outside agencies damage San Diego’s streets, no one is holding them accountable. This must change immediately. Carl DeMaio’s “Save Our Streets” Plan includes a change to the City’s municipal code which will close loopholes and strengthen the barely-utilized street repair warranty, which is not currently being adhered to by contractors or the City.

SOS Reform 5 Enact tougher penalties on unpermitted roadwork and close loopholes for smaller, yet equally damaging, excavation techniques

The Development Services Department’s lack of record-keeping has led to unreliable and inconsistent enforcement of rules which are currently on the books. Penalties are also so minor that they don’t provide a serious incentive to comply. Penalties for failure to obtain a permit can be as low as \$50.

SOS Reform 6 Assign an “Inspector General” for infrastructure

Many government agencies have established positions known as “Inspectors General,” tasked with providing oversight and examining the conduct of their agency to ensure they are operating in compliance with established policies and to audit their performance and work product.

Carl DeMaio is proposing that an Inspector General of Infrastructure be established to ensure that reforms are being implemented correctly, city staff and outside agencies are being audited, and contract oversight and review is being handled responsibly. This position would be funded out of the existing Independent Auditors office.

SOS Reform 7 Fair and open competition for all city road work

A critical way for the city to pay down the amount of the street repair deficit is to do it at the lowest cost possible for taxpayers.

Many contractors who would consider bidding on road work fear costly and restrictive mandates on their internal employment policies. Unfortunately, the City of San Diego and several other government entities have been enacting “union-only” policies that have made our region less attractive to private companies who would otherwise be interested in doing work for the city.

Reform 5.2 – Redevelopment Agency Reforms & Successor Agency Management

Redevelopment as we know it in San Diego has ended – and now the City must identify alternative ways to revitalize blighted neighborhoods.

On June 29, 2011 Governor Jerry Brown signed into law Assembly Bill 26. This bill ends Redevelopment Agencies throughout the state.

In January, the City Council voted to assume responsibility for creating and managing the “Successor Agency” to resolve final payments of agency debts, complete or transition existing redevelopment projects, and dispose of redevelopment agency assets.

The City of San Diego is about to embark on one of the most ill-defined and risk-filled transition processes created in state government. The City must be extremely careful as it manages the “Successor Agency” and should be pro-active in tackling several key issues:

- **Appointment of Oversight Board:** All decisions of the Successor Agency must be approved by an Oversight Board – which allows the City only 2 seats out of 7. The Mayor must engage our new “partners” in redevelopment oversight to ensure unity of purpose and that the collective public interest drives all decisions on the winding down of the Redevelopment Agency.
- **Adjudication of Legal Disputes:** There are many legal issues to sort out and it is quite likely that lawsuits will be filed across the state, thereby complicating the process for “winding down” redevelopment agencies. The City Attorney should aggressively pursue legal remedies for San Diego’s situation.
- **Risk Matrix for Project Completion:** Councilmember DeMaio has called for a risk matrix to be compiled for all remaining redevelopment projects.

The projects which are legally solid (already underway, design and bidding process completed, etc. will be first on the list, followed by those projects which have contracts entered into, money spent already, followed by those projects which have highest degree of uncertainty regarding their future. This matrix should guide the City as redevelopment is “wound down.”

What Was “Redevelopment?”

A redevelopment area, managed by a Redevelopment Agency under the control of the City, can be established by a local government in blighted and distressed neighborhoods. As improvements were made to these neighborhoods, the increased property tax revenues largely go back into the Redevelopment Agency and allow for additional improvements.

In 1976 the state required that twenty percent of tax increment be put toward affordable housing. In San Diego County, more than 15,000 units of affordable housing have been constructed with Redevelopment dollars. As the Union-Tribune reported recently, “Redevelopment dollars leverage federal and private investment funds at a ratio of more than 3-to-1.”

While there have been great benefits from redevelopment in San Diego, there have also been serious abuses.

There has been a major lack of transparency and openness with the actions of the Redevelopment Agency, particularly CCDC and SEDC.

From the “midnight deal” in Sacramento to raise the cap on redevelopment funds in San Diego, to admitted embezzlement of public funds within SEDC, to retirement benefits for CCDC employees far better than the private sector, redevelopment has been faced with controversy, scandal, and a lack of accountability.

In addition to those abuses mentioned above, subsidies for developers, abuses of eminent domain, and taxpayer money to private projects have also been common, and must stop as we turn the page on redevelopment in San Diego.

Reform 5.3 – Replace RA’s with “Neighborhood Investment Collaboratives (NIC)”

For too long our neighborhoods have been ignored while Downtown interests, special interests, and pet projects by politicians have received special treatment. This must end.

A New Focus on Neighborhood Investment and Revitalization

Redevelopment, while plagued with examples of misuse and a lack of accountability, has provided millions of investment in neighborhood infrastructure throughout the city. The state legislature and Governor Jerry Brown have moved to take away this important funding source from local governments, rather than deal with the systemic financial crisis at the State.

Governor Brown has promised to offer up a replacement plan to continue local economic development. He has yet to follow through on that. Another recently submitted bill, Senate Bill 654, would let local governments keep redevelopment funds that were earmarked for affordable housing.

Many reformers throughout the state are calling for a new chapter in redevelopment, where agencies are recreated with more oversight, accountability, and a more limited scope- focused on eliminating true blight and ending the practice of providing taxpayer subsidies to private

development. Councilmember DeMaio has been calling for these reforms for years, and Governor Brown’s action may be the catalyst needed to reform this 60-year old program in California.

Focusing on Our Neighborhoods

Given this opportunity for a fresh start, Councilmember Carl DeMaio is calling for San Diego’s leaders to focus on the important work of community redevelopment and neighborhood investment. Even as the State works to determine how they are going to pursue neighborhood redevelopment in the future, the City can get a jump start by forming “Neighborhood Investment Collaboratives.”

These NICs will be tasked with providing economic investment for San Diego’s neighborhoods, beginning with our most distressed communities. Any expenditure from the NICs should include strict return on investment measures to guarantee job creation. These NICs will be prepared to take on the future responsibilities of redevelopment should that program be reconstituted – but with a heavy dose of accountability and transparency reforms.

What will the “NICs” do?

1. Vehicle for new redevelopment responsibilities

Presuming San Diego gets some funding to continue some operations of redevelopment, such as Affordable Housing

2. Manage New Infrastructure Funding Streams

NIC’s would explore alternative infrastructure financing mechanisms to carry-out projects. For example, state authorities such as the Mello-Roos law allow for targeted investment in public infrastructure in a specific community. This vehicle is currently being used for the proposed expansion of the Convention Center.

3. Catalyst for Business and Community Participation in Community Plan Updates

Reinforcing another reform in the Pathway Plan, the NICs will help streamline the process and examine public-private partnerships to move community plan updates to completion more quickly.

Reform 5.4 – Expand and Improve San Diego’s Regional Air System

A stronger economy in San Diego needs a well-functioning air transportation network.

If we hope to increase tourism to San Diego and allow small businesses to expand and grow, we need a regional approach to air transportation that will move visitors, conventioners, and business travelers into and out of our region efficiently.

Councilmember Carl DeMaio’s goals for San Diego air travel:

1. Support investment in **capacity** improvements at existing air facilities.
2. Support plans to create a public-private partnership Terminal on the US-side of the border to access runway capacity at the Tijuana International Airport.
3. Examine opportunities to divert some of the cargo and executive travel from Lindbergh to secondary airports in the region.
4. Oppose the use of MCAS Miramar as a civilian airport.
5. Make the case to airlines for more direct flights into and out of San Diego.



San Diego’s Current Air Transportation Network

There are eight civilian airports located in the San Diego region and a major international airport in Tijuana, Mexico.

*Lindbergh Field (San Diego International Airport) –
Operated by San Diego County Regional Airport Authority*

Montgomery Field – City of San Diego

Brown Field Municipal Airport –City of San Diego

Gillespie Field – El Cajon, operated by County of San Diego

McClellan-Palomar Airport – Carlsbad, operated by County of San Diego

Fallbrook Airport – Operated by County of San Diego

Ramona Airport – Operated by County of San Diego

Oceanside Municipal Airport – Operated by City of Oceanside

There are also four military air bases, as well as four additional small air fields in far eastern San Diego County.



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The Regional Aviation Strategic Plan provides a starting point

A Regional Aviation Strategic Plan (RASP) was mandated by the California State Legislature in 2007 with the passage of Senate Bill 10.

The Plan is a collaboration between the San Diego County Regional Airport Authority (Airport Authority) and the San Diego Association of Governments (SANDAG). To date, the RASP has defined the region's long range air transportation needs and the roles of each airport in meeting those needs. The next step in the analysis will be to develop a plan that makes the most of the region's aviation assets, given the regional needs and the opportunities and constraints specific to each airport.

While the development of the RASP is an important and much-needed strategy, it is important to note that the decision to act on the RASP findings is the responsibility of each airport owner/operator and jurisdiction. While the Airport Authority is leading the effort, it can only implement changes specific to San Diego International Airport. The final RASP report was released last year and will be incorporated into SANDAG's 2050 Regional Transportation Plan, providing transportation strategies and planning guidelines for the next 40 years.

Councilmember DeMaio stands with military in rejection of MCAS Miramar as new airport

DeMaio has been very public about his opposition to any use of Marine Corps Air Station Miramar for civilian air transportation use, and the people of San Diego agree with him. In 2006, San Diego County voters rejected a plan to develop Miramar as a commercial aviation facility. This plan, strongly rejected by both the military and residents of San Diego County, would have provided a strong disincentive for the military to continue viewing San Diego as a long-term base of operations.

What does the status-quo future for air travel look like in San Diego? **NOT GOOD.**

One of the most significant findings of the report is that "the passenger capacity of San Diego International Airport can only marginally be improved." This is a significant point to understand, because it makes it very clear that we must approach San Diego's air transportation needs with a regional view.

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If we do not determine a comprehensive regional air transportation strategy, San Diego International will reach its airfield capacity sometime between 2020 and 2030, at approximately 28 million annual passengers.

Once this occurs, the RASP report explains that the airport's level of service is expected to decrease and result in (1) increased operating delays on the airfield and in the ground transportation network leading to the airport; and (2) increases in the price of air service.



We simply cannot let this happen.

This is why Councilmember Carl DeMaio is calling for the Mayor and City Council to provide the bold leadership needed to come up with solutions and implement them sooner, rather than later.

Brown Field should be better utilized as a cargo hub for the region.

The RASP report provides undeniable evidence that something has to be done within the next 10-15 years to address this looming challenge. While the report provides many good ideas, the people of San Diego need leadership from our elected officials to move the ball forward and implement the strategy necessary to ensure a working air infrastructure in the future.

If we don't act to address looming air transportation needs now, **our economy will suffer**. Tourists will find it less appealing to fly in and out of San Diego on vacation, and businesspeople will find it more challenging to quickly and easily travel for business (which is already a major concern voiced at Carl DeMaio's *Pathway to Prosperity* town hall forums.)



Palomar-McClellan Airport provides an opportunity to increase executive travel and take some of the strain off Lindbergh Field

Reform 5.5 – Increase Utilization of the Port of San Diego

San Diego's Port offers an incredible opportunity to increase economic productivity and create jobs throughout the region. While the Ports of Long Beach and Los Angeles are well known for the immense volume of cargo that enters the United States via those terminals, the Port of San Diego can distinguish itself by maintaining unique facilities that encourage the importation of niche products. These products include produce, lumber, automobiles, and alternative energy cargo such as wind turbines. The City of San Diego can directly partner with the Port to achieve its mission by strategic investment in adjacent infrastructure.



A great example of how the Port can distinguish itself from its competition while providing service to new industries is in the area of alternative energy. According to the Port of San Diego, "alternative energy cargo has been a growing element of the port's maritime business. What we can offer here that customers cannot get anywhere else, particularly in larger ports, is space for temporary storage. Because of its strategic location and proximity to wind farms in Southern California, San Diego has become the preferred port for many wind energy manufacturers importing or exporting to or from California." (July 14, 2011)

Wind components imported or exported through the Port of San Diego arrive and depart both by ship and truck. Burlington Northern Santa Fe Railway is working to change that by promoting the advantages for rail transportation, including the movement of goods from the port.

Clean energy technologies are the fastest growing segment of the San Diego economy, and provide an enormous opportunity for job creation and economic growth in our City. The City of San Diego can work with the Port to capitalize on the opportunities available to encourage commerce and job growth in our region.

Councilmember Carl DeMaio is calling for greater cooperation with the Port of San Diego to move forward on needed infrastructure improvements at the Port. Strategic investment in infrastructure projects in the San Diego region will ensure the effective and efficient transit of goods beyond the area of the Port itself. Partnering with Mexican officials south of the border will ensure the economic impact of the Port will extend well beyond the border.

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To maximize the Port's impact to the regional economy, Councilmember Carl DeMaio strongly supports the following reforms:

Conduct a full-scale "Performance Audit" of all Port operations

The City of San Diego should establish a special Task Force of business leaders and financial experts to conduct a full-scale performance audit on the Port of San Diego operations. This performance audit would provide a detailed analysis of operations and efficiencies across business lines to ensure each is financially self-sufficient and producing acceptable returns on the taxpayers' investment. Although a public entity, the Port needs to be run as a business. Like its clients, the Port should focus on maximizing value from current business lines while identifying and investing in new areas for growth and development. Inefficiencies and poor management at the Port lead to a diminished return on taxpayers dollars while stifling overall investment, economic growth, and employment opportunities for the region.

Pursue public-private partnership investment in Port facilities

Building and maintaining modern facilities throughout the Port requires a large and ongoing financial investment. The Port needs to explore and develop public-private partnership opportunities with companies that use or are interested in using the facility. Strategic partnerships will help save the Port money in infrastructure improvements. In addition, partners will have a greater say in developing facilities to meet their specific needs while helping to ensure their long-term use of San Diego as their Port of choice. Asian governments have indicated their desire to invest in west coast port operations. The Port needs to look beyond the border for clients' and work with officials from Asia-Pacific countries to see if partnerships can be forged to expand San Diego's port facilities.

Promote additional home port cruises out of San Diego

The Port's cruise ship facilities bring a different demographic of tourist to San Diego who spend money in our restaurants and shops, thereby adding to the local economy. At a time when cruise ship companies are Re-orienting away from Mexican ports of call, the Port needs to work with these companies to ensure that San Diego remains a stop along all travel routes. For example, the Port and City of San Diego need to work with other US cities along the West Coast in order to remove regulatory barriers to promote cruising along the West Coast.

Require fair and open competition on all Port projects

Under the current system, higher costs on Port projects are ultimately passed along to customers who have choices on which facilities to access. With large capacity ports within two hours of San Diego, the Port needs to ensure that future projects are done without unnecessary and expensive restrictions or preferences for certain bidders. Promoting competition across prospective contractors ensures market-based bids and promotes efficiencies and costs savings. The Port of San Diego must remain competitive to ensure a successful future.

Establish a dual permitting agreement between the Port and City

Streamlining permit requirements will provide for quicker project approval and completion – while generating cost-savings to permit applicants, the City and the Port.

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Support efficiencies in Port overhead to reduce costs

As previously mentioned, the Port needs to be run like a business - with an eye on achieving its mission in a cost efficient and effective manner. A bloated bureaucratic organization leads to a stagnation and limits economic opportunities for the region.

Insist on greater Port funding for the North Embarcadero Visionary Plan and Convention Center

As outlined in other reforms in the Pathway to Prosperity, the Port of San Diego should be held accountable for providing additional support for these two important projects. These projects have been shown to produce an immediate financial return on investment to the Port itself, and will act as an economic catalyst for the region

Holding San Diego Port Commissioners Accountable

The City of San Diego appoints three out of the seven commissioners to the Port. As individuals are considered for appointment, we must require they are committed to economic growth policies as a condition of nomination and appointment of The Mayor and City. Any current appointees who do not support economic growth policies should be replaced by the City.



Reform 5.6 – Complete the North Embarcadero Visionary Plan

One of San Diego's greatest assets is our beautiful waterfront. It is one of the first things travelers see when they arrive at Lindbergh Field and drive into the City. It is enjoyed by locals and tourists alike, serving as an economic engine, providing harbor tours, the Maritime Museum, the Convention Center, shops, restaurants, Seaport Village, and many other attractions.

Unfortunately, the waterfront has a great deal of potential that has not yet been utilized. Despite the amenities above, San Diego's embarcadero still has crumbling asphalt parking lots, chain link fences, and dilapidated Navy buildings, some of which are nearly 100 years old.



A Vision for San Diego's "Front Door"

The North Embarcadero Visionary Plan (NEVP) aims to change all of that with a visionary strategy to maximize the waterfront as a hub of activity. The NEVP joins Downtown and the Bay through a set of public infrastructure improvements for the area bordered by Market Street on the south, Laurel Street to the north, the railroad right-of-way to the east, and the San Diego Bulkhead line (the bayward edge of land) to the west.

The North Embarcadero Visionary Plan Phase 1 will increase and enhance the public's access to San Diego Bay through a wide esplanade and waterfront promenade. Through its groves of jacaranda trees and world-class public art, the public will feel welcomed into this area, which is the first leg of a signature linear public park that will eventually run the entire 1.2 mile length of the North Embarcadero. From the City, NEVP Phase 1 will frame views of the Bay down West Broadway and C Street. The project will also capture and treat storm water to improve the water quality of San Diego Bay.



When the project is completed in the summer of 2013, the waterfront will be adorned with a 105-foot wide esplanade that stretches from the Navy Pier to the B Street Pier. The esplanade will have formal gardens, plazas, shade pavilions and a waterfront promenade with space to stroll, bicycle, enjoy public events or just relax.

A landscaped median, with palm trees and decorative lighting, will be installed on West Broadway, creating a grand entrance to the San Diego bay front as West Broadway intersects North Harbor Drive.

PATHWAY TO PROSPERITY

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The first phase of the North Embarcadero Visionary Plan includes:

Relocating Harbor Drive to the east and improving the waterfront esplanade from the B Street Pier to the former Navy Pier.

Improving West Broadway from Harbor Drive to the railroad tracks.

Adding a third left turn lane from southbound Harbor Drive to eastbound Grape Street.

Only Phase 1 of this project has been funded – future phases must be funded by the City, the County, the Port of San Diego, and (possibly) the City's Redevelopment Agency. It is vital that local leaders step forward with a plan to ensure the economic benefits to the region offered through the completion of this important project, apart from any reliance or hope on future redevelopment dollars.

Port and County Participation: If the NEVP is to be completed in the future, it will rely on the County and Port of San Diego making Phase 2 and Phase 3 priorities in their capital improvement project (CIP) budgets. City leaders must aggressively promote the NEVP to the County and Port in the coming years.



Completion of Lane Field Project: The City must insist that the Port remove the Project Labor Agreement which has been placed on the development of Lane Field, allowing this essential project to proceed. Tax revenues from this development can be considered for funding Phase 2 and Phase 3 of the NEVP.

Completion of Navy Broadway Complex: *Pathway to Prosperity* Reform 2.5 would substantially benefit the community – providing new facilities, amenities, park space, and funding for NEVP. Tax revenues from the Navy Broadway Complex development can be considered for funding Phase 2 and Phase 3.

Additional Public-Private Partnerships: The City should also secure public-private partnerships with companies and organizations that will directly benefit from the NEVP. Much like the Convention Center expansion, city leaders must ensure that those who will benefit from this public project contribute to it.

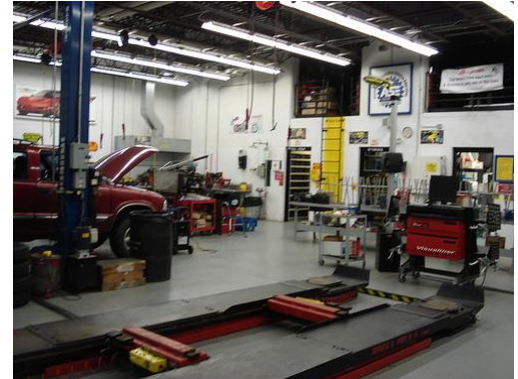
The NEVP will be an important economic generator for our region, and Councilmember Carl DeMaio stands committed to seeing this project through to completion.

Reform 5.7 – Protect San Diego’s Industrial Lands

San Diego has a long tradition of industrial business.

The local economy has traditionally relied on industries related to shipbuilding, maritime shipping, and manufacturing to provide San Diegans with good jobs. Unfortunately, some of those jobs have all but disappeared as regulations, environmental concerns, and a changing local economy have taken a toll on heavier industries.

Councilmember DeMaio is aggressively working to foster and promote good jobs in emerging sectors like biotech and clean tech which require lands zoned for industrial purposes.



City leaders must simultaneously support the needs of established industrial sectors that will continue to have an important role in the economic health of San Diego in the future. As a result, the need for land areas zoned for industrial purposes will be important for ensuring our economic regional growth in the future.

Unfortunately, the ongoing need for additional residential areas has caused friction between supporters of industrial uses and supporters of residential uses.

Councilmember **DeMaio supports the protection of existing industrial lands** in a sensible way that takes into consideration the concerns of nearby residences, schools, and churches. As urban renewal of San Diego’s older neighborhoods continues, we must encourage mixed-use, higher-density developments that do not encroach on industrial lands.

The need for residential development in San Diego is directly tied into the nurturing and fostering of economic opportunities and, therefore, land use policies should not treat residential and industrial land use as being in competition with one another.

Industrial Lands Are Key to San Diego’s Economic Future

As previously stated, industrial zoned areas are important not just for traditional industries, but are also essential for new and growing industries. For example, industrial-zoned land will be essential for expanding San Diego’s current leadership position in the solar innovation industry. The City of San Diego must continue to foster this innovative industry by providing sufficient industrial land be zoned to meet its development and manufacturing needs.

San Diego cannot allow land use restrictions to cause us to cede our leadership position in the development and manufacturing of solar equipment.

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As discussed in Strategy 1, the City needs to complete Program EIR documents for specific job clusters, including key industrial industries. This will provide a streamline regulatory review while ensuring important individual projects are not held up in timely and expensive environmental studies and associated litigation.

As the San Diego Regional Enterprise Zone is expanded in the future, we should make a special effort to include all industrial lands possible. This will ensure tax breaks and state incentives are provided to important economic sectors of our local economy.



Reform 5.8 – Increase Capacity at Existing Border Crossings and Support Construction of San Diego’s Third Border Crossing

Because we have the busiest border crossing in the world and traffic is only increasing, San Diego must expand capacity at the border through infrastructure improvements, as well as new technologies and best management practices, to keep our regional economy moving.

The San Diego-Tijuana border crossing is the busiest land border crossing in the world, with over 40 million crossings each year. Mexico’s side of the current Otay Mesa border crossing will reach maximum capacity in two years. According to Marney Cox, chief economist for the regional planning agency San Diego Association of Governments (SANDAG), border congestion is a “kink in the supply chain, suppressing growth in manufacturing.” (SD Union-Tribune, 2/11/11.)



The City of San Diego must work with Federal, State, and Mexican government officials to allow greater cross border traffic without increasing delays. These goals can be accomplished by building a third border crossing in the region while focusing on growing capacity at the two current crossings.

Build a Third Border Crossing

Our continued emphasis on promoting trade and growth on both sides of the border will increase the need for the proposed third border crossing to be paid for largely through future tolls. A new modern facility is the only way to ensure that we meet the needs of individual citizens and businesses who rely on crossing the border. The City of San Diego has an important role as a partner to the Federal government in the design and building of infrastructure for this essential project.

Improve Capacity at Current Crossing Locations

The current crossings at San Ysidro and Otay Mesa already handle a large amount of traffic. In fact, it is expected that the Mexican side of the border will reach capacity in the next two years. This requires ongoing partnership and cooperation with Federal, State and Mexican government officials to ensure the efficient crossing on both sides of the border. Targeted infrastructure improvements will be critical to future border crossing expansion.



Furthermore, cross-governmental partnership will be important in the development and deployment of technology and promotion of best practice techniques. The use of modern technologies to facilitate the movement of people and goods faster and more efficiently needs to be extended into Mexico to mitigate traffic delays on both side of the border.

PATHWAY TO PROSPERITY

Economic Prosperity Plan for Job Creation

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Regional Approach to Economic Development and Growth

As previously discussed, there has been an increased strain on industrial zones in San Diego. Partially in response to this, some San Diego companies choose to do their research and development in San Diego and their manufacturing in Mexico. While Councilmember DeMaio feels that we need to make San Diego more welcoming to these kinds of manufacturing businesses and encourage job growth on the U.S. side of the border, he also recognizes that the cooperative relationship between the two regions is important.

The cost of border congestion

Border congestion cost the bi-national region \$7.2 billion in economic growth and 62,000 jobs.

San Ysidro Border Crossing Statistics

50,000 vehicles cross each day

25,000 pedestrians
enter the US each day



Reform 5.9 – Put City of San Diego on Record Opposing the \$98 billion High Speed Rail Project

At a time when basic infrastructure is falling apart, there is no excuse for state politicians to keep pursuing this costly project.

The California High Speed Rail Peer Review group, a trusted and independent review panel created by state law to guard the public interest, recently recommended that California not move forward on its proposed \$98.5 billion bullet train, saying it poses “an immense financial risk.”

The California High Speed Rail project has tripled in cost since its initial projection of \$33 billion when voters approved the bonds in 2008.

While this project was a nice idea when it first came up years ago, the reality is that our state cannot even provide basic services it is supposed to. As we watch our school systems suffer, basic infrastructure deteriorate, water costs increase, and taxes and fees increase, this project is not justifiable.

“We cannot overemphasize the fact that moving ahead on the (high-speed rail) without credible sources of adequate funding, without a definitive business model, without a strategy to maximize the independent utility and value to the state, and without the appropriate management resources, represents an immense financial risk on the part of the state of California.”

- California High-Speed Rail Peer Review
Group Chairman Will Kempton



When California voters approved a \$10 billion bond in 2008 in support of plans to build a high-speed rail corridor to link northern and southern California, they could have never expected the cost would increase so dramatically, or that our state would continue to fall into fiscal distress at the rate it has.

Push to have funds returned for local infrastructure projects that have economic impacts

Because this project is one of the most ill-advised, costly, and unnecessary projects proposed in recent memory, Councilmember DeMaio is calling on state leaders to immediately cancel the project and put existing bond money toward infrastructure projects that have positive economic impacts.

Locally, these projects could include widening of our local freeways, improvement of transportation infrastructure around our port, including existing rail capabilities to move goods and cargo, and the expansion of border crossing capacity.

These kinds of projects are much needed and would provide real economic growth for the region.

Economic Strategy 6

Position San Diego as a Gateway to the Asia-Pacific Economies

*The economy has gone global – and San Diego
must embrace global relationships
as a pathway to prosperity.*



Reform 6.1 – Expand Trade Missions to the Pacific Rim economies via the World Trade Center

Trade missions by elected officials and business representatives are a valuable tool that has not been utilized enough in the City of San Diego. However, taxpayers are rightfully wary of “junkets.” That’s why we must hold participants in trade missions accountable when returning from these trips – and fund these trips exclusively using private resources.

Los Angeles Mayor Antonio Villaraigosa has led three trade missions during his time in office, the most recent trip bringing the Mayor, port, airport and tourism officials to Japan, South Korea and China, the city's three largest trading partners. The mayor and his team had dozens of meetings and attended events with government and business leaders, seeking to encourage firms to set up shop in L.A., invest in local companies and do more business in Los Angeles.

San Diego’s leaders must do the same and more to attract business investment in our region. As Mayor Villaraigosa’s trip shows, we are in a competition with other cities in California to attract emerging businesses in the Asia-Pacific. Given San Diego’s more friendly business-climate and numerous attributes, we should be strong competition to any other City in California.



Hong Kong, China

The City of San Diego Trade Mission’s specific goals should be outlined at the beginning of the trade mission trip and specific job-creating agreements and partnerships will be expected to be brought back at the conclusion of the trip.

This should not be a “chit-chat” tour, but a job creation enterprise meant to create real agreements and provide economic benefit by the time the group boards the plane home.

PATHWAY TO PROSPERITY

Economic Prosperity Plan for Job Creation

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Reform 6.2 – Create the “San Diego Passport” Program

A strong economy requires foreign investment, and one of the best ways to accomplish that is for San Diego to connect international students living in San Diego with companies that do trade overseas.

San Diego hosts thousands of international students who come here from around the world to earn an education at our world-class universities.



Councilmember DeMaio believes that we should be utilizing the opportunity provided by the presence of so many young, motivated, bright international travelers by providing a way for them to interact with business owners, companies, and the San Diego World Trade Center.

The “San Diego Passport” program would be a cooperative program with the City of San Diego, the San Diego World Trade Center, our local universities, and San Diego companies, small and large, that would provide training in business development, international trade, and most importantly, establish the kind of inter-personal relationships that truly make business happen.

Once returning home, these students would already have the kind of international business ties that translate into cross-border trade and foreign investment in the future. Enrollment in the “San Diego Passport Alumni Network” will allow these ties to continue and grow stronger as these international students mature into the business leaders of the future.



Reform 6.3 – Targeted Tourism Marketing Initiative for Asia and the Pacific Rim

With the remarkable growth of the Chinese economy over the past two decades, an enormous new middle class with newfound disposable income will be able to travel in the coming years. San Diego must be prepared to seize this opportunity to attract these tourists before other American cities do.

Wealthy Chinese are already a growing part of the world tourism market and are currently being targeted in tourism marketing strategies worldwide.

As a Swiss news service reported, “Chinese outbound tourism in particular is booming, yet the numbers seen worldwide are only the tip... a harbinger of the coming paradigm shift that will redefine the world's biggest industry.”

However, as that article goes on to explain, “there seems to be more trepidation than glee among many European tourism offices, whose continually reduced budgets and lack of first-hand knowledge of Asian consumer behavior has them receding into their traditional markets rather than making inroads into new ones.”

San Diego must not be a tourist destination that “recedes into traditional markets” and loses out on this opportunity because of a lack of understanding of Asian cultures, travel behavior, or trends.

Councilmember Carl DeMaio is calling on the City’s Tourism Marketing District, Convention and Visitors Bureau, and leaders in the industry to launch a targeted tourism marketing program for the Asia-Pacific and Latin American travelers who are an increasingly large part of the industry.



Economic Strategy 7

Reduce the Cost of Living for San Diego's Working Families

A major hurdle to job creation in San Diego continues to be the high cost of living here.

The Pathway to Prosperity provides solutions to help reduce the cost of living for San Diego's working families – from providing affordable housing to reforming water rates.



An Overview: San Diego's High Cost of Living is Hurting Our Economy

San Diego's high cost of doing business and high cost of living is driving companies and their employees out of our region. We must make it more affordable to own and rent a home in San Diego in order to retain the workforce we need to power our economy. Addressing the continuing need for more affordable housing must be a priority in San Diego.

A recent survey of citizens by the City of San Diego found only 29 percent thought local homes were affordable. Over the past three years, the number of permits issued for new housing projects have plummeted. As the economy recovers, San Diego's affordable housing crisis will likely get much worse.

Councilmember DeMaio believes the best way to achieve affordable housing is to provide adequate housing supply. Government subsidies are not effective if government at the same time restricts supply of new housing because of onerous regulations.

Reform 7.1 – Affordable Housing: Expedite Community Plan Updates

The City's current planning process does more to stifle good development and housing supply than it does to encourage it. That's why Councilmember DeMaio is proposing a major initiative to update Community Plans.

The City of San Diego, like most other cities, has a "General Plan" which guides land use and planning decisions. The General Plan is the foundation upon which all land use decisions in the City are based. It expresses a citywide vision and provides a comprehensive policy framework for how the City should grow and develop, provide public services, and maintain the qualities that define the City of San Diego. The General Plan was comprehensively updated in 2008 with the support of the City Council. It does not provide specific land use designations or zoning on individual properties, but rather provides policy direction for future community plan updates, discretionary project review, and implementation programs.



Larger cities often create policy documents for specific geographic areas within the city's boundaries. The City of San Diego calls its community-based policy documents either community plans or precise or specific plans. Because of the size and diversity of the communities in the City of San Diego, **there are more than 50 planning areas called community plans.**

The community plans are a part of the Land Use Element of the General Plan. Community plans provide more detailed land use designations and site-specific policy recommendations than is practical at the citywide level. Community plans typically address community issues such as: the local street and transit network; distinctive

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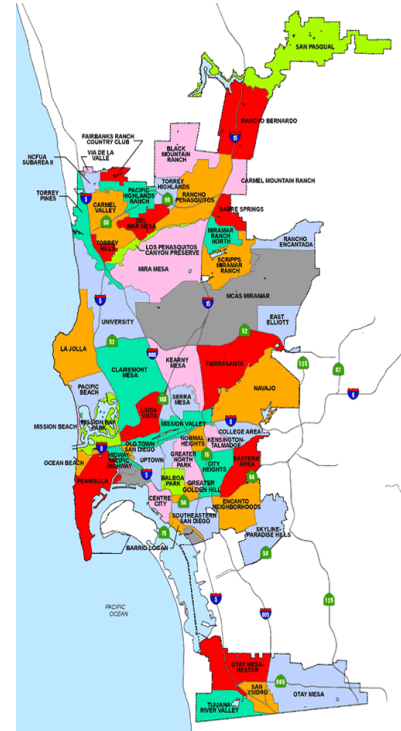
environmental characteristics; community landmarks; location, prioritization and provision of public facilities; community urban design guidelines; and identification of gateways. Together, the General Plan and the community plans seek to guide future growth and development to achieve citywide and community level goals. All of the adopted land use plans must be consistent with the goals and policies of the General Plan.

Delays in Community Plan Updates Holding Back Smart Growth

Although community plans are supposed to be updated every twenty years or so, the extensive, years-long process and resulting high cost has led to some San Diego communities with community plans that haven't been updated in decades. If a project fits the needs of the neighborhood today, but is inconsistent with a 20-year-old community plan, the developer must spend considerable time and money seeking special approvals.

Councilmember DeMaio is calling for the process to be streamlined and expedited to get as many community plans completed at the least cost possible for taxpayers, including:

- **Increased Funding for Plan Updates:** The budget for community plan updates has been slashed due to the city's ongoing financial crisis. In the current fiscal year, only \$900,000 is allocated to plan updates – almost a 75% reduction in funding from two years ago. That's why fixing the city's financial crisis is a key strategy for providing affordable housing in San Diego. To help provide increased funds for community plan updates, the City should explore re-instituting partnerships with the private sector to fund these updates.
- **Cut the Cost Per Plan:** Community plan updates can cost \$2 million or more to carry out (e.g. Otay Mesa Community Plan). Councilmember DeMaio's *Roadmap to Recovery* helps cut costs in each Department, but more streamlining reforms should be instituted in the process to get these plans done in a faster, better and cheaper way. The City should adopt best practices from cities across the nation in disciplines used in community plan updates – for example, the complicated, costly, and time-consuming process of traffic studies. In addition, the City should enter into fixed-price, time guaranteed contracts with outside firms to perform the underlying analysis used in the community plan process.



Additional Reforms: Program EIRs and CEQA Reform

Program EIRs and CEQA reform are also important aspects of getting these community plan updates moving faster. As explained earlier in the *Pathway to Prosperity* (Reform 1.4), program EIRs allow environmental review to be conducted for the entire area, rather than individual project-by-project. Additionally, CEQA reforms are necessary to cut regulations which are far too burdensome and strict, and allow projects to move forward.

Reform 7.2 – Affordable Housing: Encourage Increased Density in Appropriate Areas

Because there is little land left in San Diego to develop on, the City must prioritize in-fill development that provides for increased density.

Older, previously-developed areas of cities are witnessing an urban renewal as new apartments, condominiums, and other living spaces are constructed in close proximity to restaurants, coffee shops, retail and other amenities.

These kinds of developments are the way of the future. San Diego must be a leader in this movement to provide adequate housing supply and protect established suburban communities where density doesn't fit the community character. The community outreach process is important as more dense developments are built in San Diego. We must carry out development with community input and support.



Councilmember DeMaio supports increased density in appropriate, already dense areas, as well as the infrastructure improvements needed to support additional residents and businesses. One way to help accomplish this is to work with community plan updates and increase urban zoning standards.

To encourage greater density, Councilmember DeMaio proposes the following reforms:

Expand the density bonus for projects that provide affordable housing

In order to encourage the construction of additional affordable housing in the city, the City provides a density bonus. This bonus allows a residential development to include more density than normally permitted if the project is going to have additional affordable housing units. This program should be expanded, with the goal of increased utilization of this program by 25% within the next five years.

Target transit funding to areas with density

If a community is going to have a densely developed area, additional transit funding should be directed to that community by MTS. Councilmember DeMaio wants to see more coordination between the City's appointments to the MTS Board and the City as more dense developments go through the planning process, ensuring that communities which welcome mixed-use, smart growth, high density developments are ensured a public transit system that works.

Enact smarter approaches to urban parking

Parking is key to driving density. The City currently has rigid requirements that do not properly account for public transportation options, street parking, and other aspects that should be taken into account.

Cost of one structured parking space (including soft cost and financing burden):

\$45,000 – \$50,000

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Economic Prosperity Plan for Job Creation



The City currently requires new developments in urban areas to include a large amount of off-street parking. While this is an important means of ensuring that there is adequate parking in neighborhoods which would otherwise face a parking shortage (and some that currently do have a parking shortage), the City should consider rethinking some of these requirements in areas where there is no shortage of parking, or where there are adequate public transportation options.

Additionally, tandem parking spaces are those that allow two vehicles to park in line with each other (one in front of the other). The City currently requires a special Neighborhood Development Permit if tandem parking is going to be incorporated into a new development.

While unconventional, tandem parking is a viable way to provide adequate parking for a new development and may be necessary depending on the layout of a property, especially if it includes underground parking. Most importantly, it enables multi-family builders to provide a more naturally affordable housing product. Therefore, the City should allow new projects to utilize tandem parking without the need to obtain an additional permit.



Reform 7.3 – Affordable Housing: Make the City’s Development Impact Fee Deferral Program Permanent

If a builder can defer costly fees until construction is completed, it allows them to move forward on projects faster. Because the City receives the revenue either way, city leaders should support making this option permanent.

Properties and land being developed in the City of San Diego are usually assessed for public facilities. The assessment is determined by the type, size, and location of the development for the permit being issued. Monies collected are placed in a special fund specific to that community, to be used solely for those major public facilities shown in that community’s financing plan, usually before the project can move forward. However, a temporary pilot program has allowed some developers to defer DIFs until final inspection of the project.

A list of some of these fees:

- **Development Impact Fees (DIF)**
Within urbanized communities which are near buildout, Development Impact Fees (DIF) are collected to mitigate the impact of new development through provisions of a portion of the financing needed for public facilities identified in the Public Facilities Financing Plan (PFFP) and to maintain existing levels of service for that community. Upon determination of the area of benefit and community buildout population, the estimated cost to construct the facilities is divided amongst residential and nonresidential development. **The deferral program for this fee should be made permanent.**
- **Facilities Benefit Assessments (FBA)**
A Facilities Benefit Assessment (FBA) generally provides 100% of funds for public facilities projects which service a designated area of benefit and are identified in the Public Facilities Financing Plan (PFFP). The dollar amount of the assessment is based upon the cost of each public facility equitably distributed over a designated area of benefit in the community planning area. Fees will be paid on the actual development when permits are issued.
- **Regional Transportation Congestion Improvement Program Fees (RTCIP)**
The Facilities Financing Section assesses the Regional Transportation Congestion Improvement Program Fees (RTCIP). These fees were adopted in 2008. This fee is applicable only on new residential development. On-site affordable units may be exempt from the RTCIP fee. These fees were established to ensure that new development directly invests in the region's transportation system to offset the negative impact of growth on congestion and mobility. This fee will be in addition to Development Impact Fees or Facilities Benefit Assessment Fees.
- **Housing Impact Fees (HTF)**
These fees are deposited into the San Diego Housing Trust Fund to meet, in part, affordable housing needs in San Diego. The fees are collected for non-residential development and must be paid prior to the issuance of building permits.
- **School Impact Fees**
Sometimes assessed by San Diego Unified School District.

The City allows some of these fees to be deferred until the final inspection of the property, allowing the developer to have more money-on-hand through the construction process. Carl DeMaio supports this deferral program and is proposing that the Mayor be given the authority to institute similar deferrals on case-by-case basis for water and sewer capacity fees and inclusionary housing in-lieu fee.

Reform 7.4 – Performance Audit to Hold Affordable Housing Funds Accountable

California Community Redevelopment Law requires that 15 percent of housing developed in a redevelopment project area must be affordable to low- to moderate-income households (persons earning up to 120 percent of area median income). Under this provision, affordable housing would be rental units costing up to \$1,700 per month and for-sale housing priced up to about \$240,000.

To accomplish this goal, the City of San Diego has leveraged redevelopment funds to construct more than 15,000 units of affordable housing since the 1970s. However, with recent actions of the state legislature, this funding may soon disappear.



While there are efforts in Sacramento to save all or part of this aspect of Redevelopment, the City must look at new ways to address the affordable housing crisis in San Diego.

Councilmember Carl DeMaio supports starting with the simple free-market ideas of less regulation and lower costs for permits, so that new homes built in San Diego can be done faster, cheaper, and with less red tape.

- *If more housing units are built in San Diego, improved supply will help provide more affordable options.*
- *If more housing units are built in San Diego, more funds will be generated for affordable housing projects through the in lieu fees.*

As affordable housing funds are generated, the City has an obligation to ensure these funds are properly spent. Recent stories in the media have raised troubling issues regarding the cost of so-called affordable housing units.

Councilmember DeMaio wants to ensure that the City is utilizing the currently available affordable housing funds more effectively, at a lower cost, and with more accountability and transparency by conducting stringent performance audits of the Affordable Housing Trust Fund and other affordable housing grants and programs.

Reform 7.5 – Reform Storm Water Run-Off Regulations

The State of California has historically had more stringent environmental laws and regulations than other states. This has helped to provide a cleaner environment and a better quality of life for San Diegans.

However, the state's never-ending push for stricter regulations has left even the most environmentally conscious businesses facing added permit costs and the threat of penalties for actions which are sometimes beyond their control. Worse, many of these onerous requirements are not effective in improving environmental performance.

Many companies are required to obtain storm water permits when conducting business. Construction companies are particularly affected by these permitting requirements because of the need to use water in the construction process and the chance that some of that water may leave the construction site. During the *Pathway to Prosperity* job creation forums, hosted by Councilmember Carl DeMaio, contractors expressed that a major rainstorm or excess water on a site could potentially bring down tens of thousands of dollars in penalties on their companies.



Many of the harshest regulations have been in place since 2005. However, in 2010, the State Water Resources Control Board made yet another move to pile even harsher regulations on top of existing requirements.

Fortunately, actions by the California Chamber of Commerce (CalChamber) and business groups to oppose these additional requirements were successful. As CalChamber said at the time, these new requirements “would have boosted costs as much as tenfold for any facility required to have a storm water permit and expanded the types of facilities that must obtain the permits. If adopted, the changes could have increased costs by tens of thousands of dollars for small businesses and schools to hundreds of millions of dollars for large facilities.”

Councilmember DeMaio believes the City of San Diego should partner with other cities in our region to determine more cost-effective standards for storm water – and aggressively pursue adoption of these standards at the regional and state level.

Reform 7.6 – Eliminate Linkage Fees – San Diego’s Version of a “Jobs Tax”

Another fee, which serves to increase the costs associated with creating jobs in San Diego, is the San Diego Affordable Housing Impact Fee, also known as the “Linkage Fee.” The Linkage Fee was established in 1990 as an assessment on new commercial development projects with the justification that those projects would create jobs, which would then bring more people to San Diego, and would result in higher housing costs. Or at least that is what government officials had envisioned.

Unfortunately, the Linkage Fee has been ineffective at providing affordable housing, and instead has only made it much more difficult to create jobs.

It is important to note that: **No other city in the region charges businesses for expanding operations in this manner and puts San Diego in a severe competitive disadvantage.**

That is why Councilmember Carl DeMaio has voted to block any increases to this fee when it has come before him at Council.

Performance Contracts to Eliminate the Linkage Fee on Certain Projects

Additionally, Councilmember Carl DeMaio is proposing that the Mayor be granted the ability to entirely eliminate the Linkage Fee on projects where the builder signs a performance contract committing to a designated number of jobs which will be created by the project.



Reform 7.7 – Enact Efficiency Reforms and Adopt a Water Supply Strategy to Lower Rates

Aside from housing costs, one of the biggest ways the City of San Diego impacts the cost-of-living for San Diego residents is through high water rates.

Escalating water rates make life more difficult for San Diego's working families. They also hit businesses especially hard and often drive companies to move elsewhere.

Councilmember Carl DeMaio has spoken out against rapidly increasing water rates in the City of San Diego since before he was elected to the City Council.

DeMaio has voted **AGAINST** water rate increases **every time** they have been brought before the Council.

More importantly, Councilmember DeMaio's call for lower rates goes much further than repeated "no" votes at Council, DeMaio is proposing solutions to stop rate increases and bring down the cost of water for San Diegans. Those reforms include the following:

Cut Wasteful Spending in the Water Department

The reforms outlined in Councilmember DeMaio's *Roadmap to Recovery* Plan will help save money in the water and wastewater departments – thus allowing savings to keep rates lower. These reforms include bringing salaries and benefits down in line with the local labor market.

Labor costs are an expensive aspect of California's water-delivery system, and they continue to rise, despite the tough economic times we are facing. The San Diego County Taxpayers Association recently released a report documenting the skyrocketing labor costs in the water system in Southern California.

In 2009, the Metropolitan Water District, which supplies water to the San Diego County Water Authority, which in turn supplies water to the City of San Diego Water Department, had the nerve to attempt to RAISE pension benefits – a move Councilmember DeMaio strongly opposed. Because of the angry public outcry at this move, the Board of Directors voted against increasing the benefits.

This action shows just how out of touch San Diego's water suppliers are with the realities of their actions. The high cost of water deters outside businesses from relocating to San Diego, keeps small companies from growing as fast as they would otherwise and in turn keeps them from hiring additional employees.

Competitive Bidding and Public Private Partnerships

Competitive bidding on support functions and infrastructure projects can save millions annually in the water and wastewater departments.

In 2011, Councilmember DeMaio's office was flooded with angry constituent calls after the Water Department shifted to a new billing system. What was most surprising about this was that the previous "normal" amount of phone calls and complaints for the Water Department was over 20,000 per month.

Full-time, pensioned Water Department employees do not need to be handling billing questions: outside companies can do that much cheaper, better, more efficiently.



A number of other functions can also be competitively bid – including meter reading, support functions, maintenance, etc.

Competitive bidding reforms must also be implemented on Capitol Improvement Projects (CIP) in the Water and Wastewater Departments. Poor planning, weak contracting processes, and bureaucratic mandates have increased the cost of capital projects and wasted precious funds. Councilmember DeMaio’s proposals to overhaul infrastructure planning, contracting, and management will help save ratepayer money.

Finally, the City should aggressively pursue public-private partnerships to bring private investment and service support into our regional water system. These partnerships have been used across the globe to reduce water rates.

Force Reform at County and MWD Levels

Politicians and government unions who defend water rate hikes make the misleading argument that “it’s all driven by commodity rate increases.” What they fail to point out is that these commodity rates are set by government entities - which are often bloated and wasteful themselves – and then pass along their high operating costs to ratepayers.

The City of San Diego should join with other jurisdictions to push for the same efficiency reforms outlined above at San Diego’s two major water suppliers: the County Water Authority and the Metropolitan Water District. In addition to reducing costs at these bureaucracies, Councilmember DeMaio supports efforts to ensure fair and equitable distribution of costs in all rate structures. To that end, DeMaio supports the current litigation against MWD for inappropriate and unfair rates being charged to San Diego as a region.

Change San Diego’s Water Rate Structure to Encourage Conservation:

During the recent drought, San Diegans were told to cut their water usage through conservation. They did so but still incurred higher rates despite the overall reduction in water usage. Clearly, our water rate structure is needs major reform.

Councilmember DeMaio has long advocated for a change in the water rate structure to provide financial incentives for water conservation. By expanding the number of rate tiers and reducing the reliance on base fees to recover all operating costs, Councilmember DeMaio believes that a more effective rate structure can be designed and implemented to enhance conservation and improve fairness to San Diegans.

Adopt a “Portfolio Approach” to Expanding San Diego’s Water Supplies:

Water rates will only be stable – and jobs can only be created – if San Diego has a reliable and secure source of water. Recognizing that no one source is going to solve this challenge, Councilmember DeMaio supports a portfolio-based approach to diversifying San Diego’s water supply, drawing on the following sources:

- Conservation
- Recycled Water for Irrigation Purposes
- Desalination
- Groundwater
- Water Purchases

Economic Strategy 8

Ensuring Economic Opportunities Are Available to All San Diegans

We have a responsibility to provide an even playing field for San Diego companies and individual workers – ensuring economic opportunities are available to all San Diegans, union and non-union alike.



Reform 8.1 – Make San Diego a “Fair and Open Employment” Region



Councilmember DeMaio believes in fair and open competition in employment – meaning no individual should be forced to join and pay dues to a labor union against their will.

While Councilmember DeMaio respects the right of individuals to voluntarily join a labor union, and respects the collective bargaining process, unions should not use the authority of government to coerce businesses into union-only contracts.

Businesses will not invest in facilities and they will not hire employees if they fear costly and restrictive mandates on employment. Unfortunately, the City of San Diego and several other local government entities have been enacting “union-only” policies that have made our region less attractive to business.

A few years ago, Gaylord Entertainment withdrew from pursuing a major project in Chula Vista and took over 6,000 jobs with them because of the threat of a Project Labor Agreement (PLA) on construction and operation of their facility. More recently, the Port of San Diego initiated a new policy which requires that applicants negotiate with labor unions before bringing projects before the Port Commissioners. The Port already has applied PLA’s to specific projects – such as the Lane Field Project. The Lane Field PLA has made it much more difficult to construct the project. In addition to costing the region jobs from private projects, these union mandates also cost taxpayers money through higher project costs in public works projects.

San Diegans Support Fair and Open Competition Rules

Voters approved Proposition A
“Fair and Open Competition Ordinance”
in November 2010 by a whopping 75.7 %
of the vote

YES	443,314	75.67%
NO	142,534	24.33%

This ballot measure amended the San Diego County Charter to prohibit the county from entering into contracts that require construction companies to sign anti-competitive and costly project labor agreements.

These policies cannot be allowed to continue. That is why Councilmember DeMaio proposes that all San Diego County government entities adopt “Fair and Open Employment” laws to ensure that both union and non-union businesses receive equal treatment and no union mandates are forced on businesses in our county.

In 2010 voters throughout San Diego County supported a ban on PLAs by over 75% of the vote. The City of San Diego is now required to place a citizens-qualified “Fair and Open Competition” ballot measure on the June 2012 election that Councilmember DeMaio helped craft. If passed, the City should fully and faithfully implement this policy.

Economic Strategy 9

Advocating for State and Federal Regulatory Reform

Washington and Sacramento politicians have failed to solve California's problems – and have only exacerbated our economic and fiscal problems. We must act to change this.

San Diego is California's second-largest city – and is in a unique position to help shape and lead the debate for regulatory reform on the state and national levels.



Reform 9.1 - Require City's Federal and State Legislative Agenda to Include a Jobs Plan

Policies in Washington, D.C. and Sacramento can have a devastating impact on San Diego's ability to create jobs. San Diegans must target these misguided policies and unite to change them.

Each year the Mayor presents his Intergovernmental Relations Legislative Program to the City Council for approval. This plan guides the City's lobbying efforts at all levels of government, which gives direction to staff as they work with legislators to drive policy changes that favor San Diego's interests.

DeMaio proposes to require that each City Department and municipal agency propose and submit changes to state laws and regulations that will foster job creation in the region. A request for feedback would also be sent to local trade and business groups. The Mayor and City Council would then select ideas to formally endorse and include as part of the City's annual Intergovernmental Relations Plan. The Deputy Mayor (*Pathway to Prosperity* Reform 10.1) would be charged with fully implementing the jobs strategies in the plan throughout the year.



Economic Strategy 10

Provide Regional Economic Leadership – and Measure the Results

The City should provide the leadership necessary to move our entire region forward on job creation.

As initiatives are implemented, we must measure our performance – and report results to the public.



Reform 10.1 – Designate a Deputy Mayor for Job Creation & Economic Development



Implementing major initiatives requires focused leadership and coordination across the traditional “silo” mentality of government bureaucracies. To provide a singular point for leadership on the issue of job creation, the Mayor should reorganize his current management team to appoint a ***Deputy Mayor for Job Creation and Economic Development***.

The Deputy Mayor would be being responsible for devising economic policies, advancing legislative initiatives, and overseeing partnerships between the City and business groups on economic development programs. In addition, they would exercise direct line of authority over the following City Departments:

- **Development Services**
- **Redevelopment Agency and/or Successor Agency**
 - **(Neighborhood Investment Collaboratives)**
- **Housing Commission**
- **Office of Small Business**
- **Small and Local Business Enterprise Program**
- **Enterprise Zones**

The Deputy Mayor would also be responsible for compiling and coordinating an aggressive advocacy agenda to change legislative policy at all levels of government to benefit San Diego’s businesses (Reform 9.1).

Reform 10.2 – Consolidate City Business Programs in an “Economic Services Department”

The City currently has a multitude of departments which deal, in some part, with job creation and economic development. This leads to redundancies, inefficiencies, and does not allow for a coordinated, strategic effort for job creation as a whole.

Councilmember Carl DeMaio is proposing that the Mayor reorganize departments and consolidate all of the City’s business programs into one “Economic Services Department,” which would be managed by the Deputy Mayor of Job Creation (Reform 10.1).

This coordinated approach to the important work of job creation will allow many of the proposals contained in the *Pathway to Prosperity* to be successfully implemented.

Reform 10.3 – Create a Mayor’s Economic Competitiveness Council

Councilmember DeMaio proposes that the Mayor create a “Mayor’s Economic Competitiveness Council” composed of representatives from each major economic sector in San Diego. The role of the Economic Competitiveness Council would be to:

- **Provide Monthly Advice:** The Mayor would benefit greatly from formalizing a group of leading business executives to help advise on a wide range of business issues.
- **Keep Score by Auditing Implementation of Pathway Reforms:** The Competitiveness Council would serve as an independent group to audit progress in implementing the reforms in the *Pathway to Prosperity*.
- **Serve as Leaders to Unite Stakeholder Groups:** By selecting one representative from each sector, this Council can help the Mayor unite disparate stakeholder groups behind a unified agenda for prosperity.



Reform 10.4 – Measure and Report San Diego’s Job Creation Results Annually

Management expert Peter Drucker famously said, “What gets measured gets done.”

Unfortunately, in San Diego city government, we have a poor history of identifying and using meaningful performance data to successfully manage departments and programs to success. The City has only given lip service to developing a strong environment for job creation without identifying strategies to achieve this important objective – let alone the metrics to track results.

“What gets measured gets done.”
– Peter Drucker

Councilmember Carl DeMaio built his private-sector career by working with troubled government organizations to define success, develop meaningful metrics to inform decision-makers, and empower managers to achieve success. DeMaio wants to bring that same focus on measuring performance into the City of San Diego’s job creation efforts.

Adopting Common Performance Metrics

Councilmember DeMaio proposes developing performance metrics to track implementation of the initiatives outlined in this plan – and require each city department and each partner organization (e.g. Chamber of Commerce, EDC, BioCom, TMD, etc.) to report progress using the common metrics. To ensure buy-in, the City would work with all stakeholder groups on determining these common performance metrics.



Once adopted, the City should lead by example and drive performance expectations down to the front line of every city department. This “line of sight” alignment needs to be drilled down to programs and individual managers to ensure responsibility and heighten accountability.

Public Reporting of Job Creation Data

Transparency of results is key to improving those results. That is why Councilmember DeMaio does not want performance data to stay internal where bad performance can be glossed over. DeMaio believes the City should take these principles one step further and publicly report annually on our performance metrics related to job creation so that the public can determine if city leaders are doing their job.

This data should be reported online in a timely, regular, and easy-to-understand way so that city leaders can be held to their performance as job creators.

PATHWAY TO PROSPERITY

Economic Prosperity Plan for Job Creation

PATHWAY TO Prosperity

Presented by **Councilmember Carl DeMaio**

Reform 10.5 – Take a Regional Approach to Job Creation by Launching “Opportunity San Diego”

Most San Diegans view our region as a whole when it comes to economic issues. Many people live in the city and commute into other cities to the north, east, and south to work, or vice versa.

Unfortunately, politicians and government bureaucrats often get caught up in the boundaries and borders of their own government entity.

As expressed during several of the *Pathway to Prosperity* Town Halls, many business owners cannot understand why one municipality would drive away businesses with high permitting fees and increased regulation when a neighboring city would work to attract a particular economic sector. At the same time, competition over the existing businesses in San Diego does nothing to advance our regional economy – as the same businesses simply move from one city (San Diego) to a neighboring one (Poway).

This mentality must change. The fact is the more businesses the City can attract to the San Diego region in emerging sectors, the more opportunities there will be for all San Diegans. The City also stands to benefit, as increased income and higher employment allows for more commerce, spending, and tax revenue.

While government leaders are fragmented and compete with each other, the same fragmentation and competition exists too often among business groups and associations.

For years, the San Diego Regional EDC competed with the San Diego Chamber of Commerce. Instead of focusing singularly on business attraction and promotion, EDC diverted its resources and attention into policy development. This duplicated the Chamber of Commerce activities. To its credit, EDC recently took steps to refocus its attention on its core mission.

Recently an effort to devise a unified business development strategy has been talked about – with a Business Alliance formed to facilitate discussion among different business groups.

DeMaio believes that much more must be done – a specific, funded, and formalized structure must be put into place to ensure more coordination and collaboration across economic stakeholders.

Councilmember DeMaio believes that San Diego launch a measure modeled after one of the more recent job creation initiatives in the country, *Opportunity Austin*. DeMaio saw the success that *Opportunity Austin* brought to Austin’s job-creation potential when he travelled there with San Diego business leaders and officials last year.



PATHWAY TO PROSPERITY

Economic Prosperity Plan for Job Creation



Opportunity Austin was launched by the Austin Chamber of Commerce in 2004, and brought together companies in key sectors, private investors, and small businesses under the belief that regional collaboration was an essential and more productive way to establish stability and diversification in the local economy, as well as attract a talented and educated workforce to their region.



Opportunity Austin generated a five-year economic development initiative aimed at fostering job-creating investment in Central Texas. This regional strategy aimed to create 72,000 jobs and increase payroll by \$2.9 billion. *Opportunity Austin* has proved to be a solid success. Regional employment growth has surpassed even the most optimistic scenarios. Since its inception, an estimated 123,400 new jobs have been added to Austin's regional economy. Regional payroll increased by \$5.6 billion. Per capita income and average annual wages also increased dramatically.

Councilmember DeMaio proposes that San Diego launch a similar program tailored to fit the needs of our region.

Opportunity San Diego would bring together business leaders, business associations, investors and municipal governments with the purpose of generating a singular regional economic growth strategy and business development fundraising plan.



- **Jobs Creation Plans:** *Opportunity San Diego* would define a set of regional economic development strategies and projects that can be accomplished in the next five years – complete with specific deliverables, governmental policy changes, and performance measures to track progress. To be a member of *Opportunity San Diego*, participating governments and organizations would sign a specific “Job Creation Plan” to carry-out and deliver their respective part of the unified agenda.
- **Direct Funding to Those That Participate:** For *Opportunity San Diego* to succeed in integrating efforts of a multitude of organizations, an integrated funding mechanism must be established in the business community. This follows the age-old “Golden Rule” which states simply “he who has the gold, makes the rule.”

PATHWAY TO PROSPERITY

Economic Prosperity Plan for Job Creation



As part of *Opportunity Austin*, their regional business community committed to **fundraise \$14.4 million** and reinvest the monies into marketing campaigns, business development grants, and various other opportunities across a multitude of organizations. San Diego's business community should do the same – with funding to organizations (such as the Chamber of Commerce, EDC, BioCom, etc.) contingent on their fulfillment of Job Creation Plans. All funds would come from the business community.

This approach is not only about providing financial incentives for collaboration – it is about maximizing efficiency of existing funding streams. Individual businesses already pay dues and contribute to efforts of a multitude of organizations. For example, a business may be a member of BioCom, the Chamber of Commerce, and EDC. If the efforts of these three organizations are duplicative, funds are wasted. The *Opportunity San Diego* fundraising campaign has the potential to help get the most result from the existing funding streams.

Opportunity San Diego has the potential to leverage the strengths of our region's economic sectors, refocus our aim to expand our local economy into new areas, and promote more collaborative relationships building between public officials and private executives for the benefit of the region.

Reform 10.6 – Launch the “San Diego – The Perfect Climate for Business” Marketing Campaign

If the City of San Diego implements proposals laid out in the *Pathway to Prosperity*, but does nothing to promote its improved business climate, San Diego will never maximize its job-creating potential.

Councilmember DeMaio believes that it is time for San Diego to promote one of its greatest attributes – Its Perfect Climate – to business communities across the globe.

Therefore, DeMaio proposes that in addition to implementing the *Pathway to Prosperity* reforms, San Diego should launch a “Perfect Climate for Business” marketing campaign. To ensure all business attraction and marketing programs carry the same brand, the “Perfect Climate for Business” campaign would be operated as part of the *Opportunity San Diego* Initiative – and would integrate branding and marketing of the Chambers of Commerce, trade associations, TMD, etc.

A Unified Brand, Supported by Niche Marketing

Bio-Com

“San Diego – The Perfect Climate for Life Sciences”

Clean-Tech San Diego

“San Diego – The Perfect Climate for Sustainability”

“San Deigo – The Perfect Climate for Solar”

Con-Vis

“San Diego – The Perfect Climate for Vacations”

“San Diego – The Perfect Climate for Conventions”

San Diego Sports Commission

“San Diego – The Perfect Climate for Soccer”

“San Diego – The Perfect Climate for Competition”

CONNECT

“San Diego – The Perfect Climate for Technology”

“San Diego – The Perfect Climate for Innovation”

San Diego State University Student Recruit

“San Diego – The Perfect Climate for Learning”

PATHWAY TO PROSPERITY

Economic Prosperity Plan for Job Creation

PATHWAY TO
Prosperity

Presented by **Councilmember Carl DeMaio**

San Diego: The Perfect Climate for Business



Introduction to the Job Creation Task Force

No one understands the amount of red tape and government hurdles that businesses have to deal with better than small business owners.

These individuals are the backbone of our local economy, with over 90% of all businesses in San Diego considered small businesses.

That is why Councilmember Carl DeMaio brought together some of the best and brightest entrepreneurial minds that do business in the City of San Diego to receive their input as he developed the reforms included in the Pathway to Prosperity.





Carl DeMaio **A Businessman with a Passion for Public Service**

On June 3, 2008 Carl DeMaio was elected to the San Diego City Council, making history as a non-incumbent taking a Council seat by the widest margin ever in a primary – winning 66% of the vote.

Prior to winning his seat on the City Council, DeMaio was best known in San Diego as the City Hall Watchdog. He helped uncover the city's serious financial and ethical problems, and after years of prodding city leaders to enact reforms, a frustrated DeMaio decided to run for City Council.

DeMaio's pledge to the voters was simple: Clean Up City Hall. His platform includes balancing the budget, reforming the pension system, fixing crumbling infrastructure, and restoring ethics and accountability to every level of city government.

Refusing to shed his watchdog roots, DeMaio pledges "to continue to serve as the eyes and ears of the taxpayers on the City Council."

Outside of his work as a local government watchdog, DeMaio was a businessman who founded two multi-million dollar companies by the age of 30. In 2000, he founded the Performance Institute, a non-partisan, private think tank dedicated to reforming government through the principles of performance, transparency, competition and accountability. DeMaio built the organization into the largest government reform think tank in the nation and the leading authority on performance-based management in government, law enforcement, non-profits and schools.

In 2003, DeMaio founded the American Strategic Management Institute (ASMI), which provides training and education in corporate financial and performance management. DeMaio sold both companies to Thompson Publishing Group in late 2007 so he could focus his efforts on turning the City of San Diego around.

Since that time he has successfully led reforms efforts at City Hall, including pension reform, job creation efforts, and provided a voice for taxpayers.

Susie Bauman
Owner, Bali Hai Restaurant

Susie Baumann owns the Bali Hai and Lighthouse restaurants on Shelter Island. Ms. Baumann is board treasurer for the California Restaurant Association and has served as a board member for the association since 1988. She currently serves as secretary for San Diego Convention and Visitors Bureau Board of Directors and is active in the Shelter Island Association.

Opened in 1955 by San Diego restaurateur Tom Ham on the then newly constructed Shelter Island, Bali Hai was the island's first "tiki temple," named after the song popularized by the musical "South Pacific." Family-owned and operated for over five decades, Ham's vision continues through his daughter Susie Baumann and her husband Larry.



Stephen Flaim, Ph.D., F.A.C.C.
President, Tech Coast Angels San Diego Network
Vice Chairman, Tech Coast Angels



In 1990, Dr. Flaim joined Alliance Pharmaceutical Corporation in San Diego where he was Vice President of Biological Sciences. At Alliance, Dr. Flaim was responsible for the preclinical development of perfluorocarbon-based products for use as temporary oxygen carriers during high blood-loss surgeries, liquid ventilation therapy for respiratory distress, and contrast enhancement during echocardiography. Dr. Flaim then took the position of Vice President of Biological Research & Development with Trega Biosciences, Inc. in San Diego where he was responsible for the drug discovery & development programs in pain management, inflammation, metabolic diseases and obesity. In 1999, Dr. Flaim became Senior Vice President of Research & Development at Galileo Pharmaceuticals, Inc. in Santa Clara, CA. In this role, he had overall responsibility for pharmaceutical drug discovery and development programs in myocardial ischemia, stroke, and inflammation focusing on chronic neuroinflammatory diseases. He also was responsible for the preclinical and clinical development aspects of the company's anti-inflammatory bioactive nutraceutical programs.

In 2003, Dr. Flaim established a private consulting firm supporting the biotechnology and pharmaceutical fields in the areas of preclinical and clinical research and development. Dr. Flaim is a Fellow of the American College of Cardiology, the American Heart Association, the American College of Clinical Pharmacology, and the Royal Society of Medicine. He is a member of the Editorial Board of the Journal of Pharmacology and Experimental Therapeutics, a Technology and Business advisor to the University of California School of Engineering William J. Von Liebig Center for Entrepreneurism and Technology Advancement, a member of the Board of Governors of the Tech Coast Angels, a member of the Executive Board of the San Diego Tech Coast Angels, an Entrepreneur-in-Residence with the CONNECT Springboard program and is also active in numerous regional and national scientific organizations.

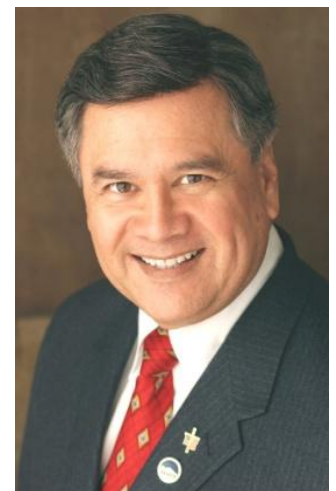
Ruben Garcia
District Director of the U. S. Small Business Administration's
San Diego District Office

Dr. Ruben R. Garcia became District Director of the U. S. Small Business Administration's San Diego District Office on January 3, 2006. In this role Garcia is responsible for overseeing SBA financial and educational development programs for San Diego and Imperial Counties. Last year the San Diego District Office ranked number one among 70 offices nationwide.

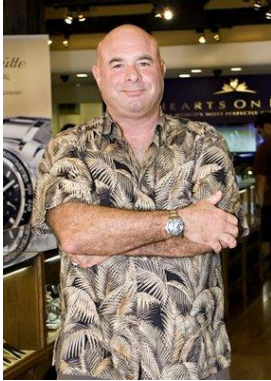
The son of a Texas field laborer, Garcia moved with his family to Southern California when he was five. After a year in college, he enlisted in the U.S. Army, graduated from the West Point Preparatory School, and served in infantry and special weapons assignments. Over the past 30 years, Garcia has held management positions with a number of firms, including ARCO, Texaco, Clark Equipment, Yale and Caterpillar Corporations.

In 1999, Garcia helped form the National Association of Hispanic Real Estate Professionals (NAHREP) and served as the Founding President/CEO and executive director. Under his guidance and leadership, the organization grew from three to more than 13,000 members in only three years. NAHREP is a non-profit trade association committed to increasing Hispanic home ownership by empowering real estate professionals that serve Hispanic consumers.

In addition to studies at West Point, Garcia has a marketing degree from Pacific Western University; an MBA certificate from Tulane University; and an MBA and Ph.D. from Madison University. He also studied at the UCLA Extension School of Business Management.



Leo Hamel **Owner, Leo Hamel Fine Jewelers**



Leo Hamel Fine Jewelers was started with Leo working out of a briefcase after a short-lived stint selling jewelry in San Diego's largest department store, Walker Scott. Leo was fired several times for bending the rules to give his customers a better shopping experience but was always re-hired for being the top salesman. His boss at the time "suggested" that he start his own business. So with \$125 in his pocket, he went out to venture on his own.

At swap meets, fairs, and any place Leo could find a gathering, he set up a small table, and gradually his passionate following of loyal customers grew. After a couple years, Leo was doing enough business to open his first store on El Cajon Blvd., which was so small that an employee had to quit after becoming pregnant. There was just no room behind the jewelry cases for her! Leo recruited Lisa Hamel and Robin Hart as his first partners and employees. By then Leo was specializing in pre-owned Rolex and Patek Philippe watches, as well as fine cut diamonds and Japanese pearls.

Leo's philosophy was that, "we are off the beaten path and can give a great deal along with excellent service to our customers." Even as the company moved into new stores that were progressively larger and

more beautiful, it retained the feeling of a family-owned and operated business, and because of that, the company's loyal customer list continued to grow.

Today, Leo Hamel Fine Jewelers is located in Old Town and is the largest and most complete, full service fine jewelry store in the San Diego County.

Frank Hewitt **Executive Vice President & Chairman, IntelliSolutions, Inc.**



Frank Hewitt is Executive Vice President and Chairman of the Board for IntelliSolutions, Inc. He joined the company in April 2008. Prior to joining IntelliSolutions, Frank was the President & CEO and a founder of ComGlobal Systems, Inc. Frank led the negotiations for ComGlobal's successful Merger and Acquisition by Analox Corporation in April 2005. He then continued service with Analox Corporation as a Senior Vice President through August 2006 to ensure a successful integration of the companies.

Since 2006, Frank has been actively involved in entrepreneurial programs in support of start-up companies. He was a San Diego CONNECT Entrepreneur-In-Residence and an investor through Tech Coast Angels where he invested and provided guidance for early-stage ventures.

While serving as the Executive Vice President of ComGlobal Systems, Frank's leadership was instrumental in ComGlobal's growth from startup in 1995 to over \$40 Million in revenue for 2005. Leading San Diego operations that specialize in high technology professional services support to the Space and Naval Warfare Systems Command (SPAWAR), and providing management, contracting, and "strategic" business development expertise for nearly 20 years, Frank brings his very current knowledge of the San

Diego defense industry to his endeavors. In addition to dealing with a wide range of defense contracts, both as a prime and as a subcontractor, he has significant operational experience (over 20 years) with the systems being supported within the Navy/SPAWAR business area, and has a well-versed understanding of the C4ISR (Command, Control, Communications, Computers, Surveillance, & Reconnaissance) business base and the Navy's SEAPORT-e acquisition process. While on active duty with the Navy Frank had command of two ships, including command of USS CUSHING (DD-985), a Spruance-class destroyer, in San Diego, California. He possesses an in-depth knowledge of Over-The-Horizon Targeting systems with specific emphasis on Tomahawk cruise missiles. A graduate of the United States Naval Academy in Annapolis, Maryland, he additionally received a Masters Degree in Electronic Warfare Systems Technology from the Naval Postgraduate School in Monterey, California.

Frank chairs the Joint Legislative Committee of the National Defense Industrial Association (NDIA) San Diego Chapter and the San Diego Military Advisory Council (SDMAC). Additionally, he is a member of the Board of Directors and Past President of the NDIA San Diego Chapter. Frank was the Founding President of the San Diego Military Advisory Council, and he currently serves on the SDMAC Board of Directors' Executive Committee. Also, Frank is a life member of the U.S. Naval Institute, the Surface Navy Association, the U.S. Naval Academy Alumni Association, and the National Defense Industrial Association.

Jerry Navarra **Chairman, Jerome's Furniture**

Jerry Navarra has been in the furniture business for as long as he can remember. His father, Jim, with two partners, founded what was then named Strep's Furniture Warehouse, in 1954. Shortly thereafter his father bought out his partners. And in 1968, when Jerry was only 20 years old, Jim Navarra renamed the company "Jerome's."

At that time, Jerry was driving a delivery truck. His two sisters also worked in the warehouse. But his father knew that his son would one day take over the family business. In 1970, armed with a Bachelor of Science degree in business with an emphasis in marketing from the University of Southern California and a masters in business administration from San Diego State, Jerry Navarra began his full-time career in the family business when "Jerome's Furniture Warehouse" was but a single location company with only 12 employees. In 1974, he took the helm as president and has guided Jerome's growth to reach almost 400 employees, five retail locations and multi-million dollar revenues.

Jerry oversaw the opening in 1979 of his first satellite store in San Marcos. Over the next 10 years, new Jerome's locations were added in Chula Vista, El Cajon and Scripps Ranch. In 2000, the original store in downtown San Diego was replaced with a large format unit on Morena Boulevard. In 2005, the company streamlined its operations by opening a 450,000 square foot distribution center. The company continues to expand, with locations now open throughout Southern California.

Today, Jerome's Furniture boasts the largest selection of in-stock furniture in Southern California, and with multiple superstores featuring hundreds of items each; most items can be in a customer's home with same-day delivery.



Laura Nelson **Vice President, Cass Construction Company**

Cass Construction, Inc. is a family owned company established in 1974 as a General Engineering Contractor. Operations include grading, sewer, water, storm drain, concrete structures, pump stations, and many other specialty areas of construction. Cass Construction has the equipment availability necessary to perform small or large projects, and their size enables them to meet stringent schedules on any type of project. Their expertise in all facets of general engineering contracting gives Cass Construction the competitive edge for turnkey development.

Cass Construction, Inc. performs work for public agencies and private industry as well. They are cognizant of the need to maintain the highest quality of work within the client's project parameters. Their professional staff and personnel take great pride in achieving the utmost in quality and production, knowing that the company's reputation directly reflects the capabilities and workmanship of its employees.

All of these factors - experienced personnel, specialized equipment and a merit shop operation - are the keynotes to the success of Cass Construction.

Phil Pace **Owner, Phil's BBQ**

For the past fourteen years, BBQ lovers across San Diego County have turned to restaurateur Phil Pace to satisfy a singular craving: mesquite grilled baby back and beef ribs, chicken and sandwiches. Serving thousands of customers a day from a diverse clientele of skateboarders to Bentleys, Phil has built his foundation on consistency, quality, freshness and friendly service.

"We thrive on providing each guest with the 'Phil's Experience', which basically comes down to organized chaos," laughs owner Phil Pace. "The biggest reason behind our success is our loyal customers who have supported us and waited in line for a taste of BBQ for the past twelve years."

Since opening its doors in San Diego in 1998, Phil's BBQ has served over one million pounds of BBQ sauce. Expanding from four employees to well over 100, Phil's BBQ has become an employer of choice in San Diego.

Phil created from scratch a top-secret recipe for BBQ rubs and sauce while taking his dad's advice to only cook what he knows best and treat employees like family. Because commitment to the San Diego community has been an intricate part of the journey, Phil's BBQ has contributed over a quarter of a million dollars to local children's charities over the past twelve years.



Edward Plant
Owner, San Diego Cold Storage
Member, San Diego Port Tenants Association Board

San Diego Cold Storage is a full service public refrigerated warehousing company offering over 1,000,000 cubic feet of frozen and refrigerated warehouse space at our location in National City, California. It offers a wide variety of services specifically designed to meet the needs of local and domestic storers. Some of these services include trucking, railcar loading and unloading, blast freezing, computerized inventory control with radio frequency bar code scanning, load consolidation, cross-docking and inspection services. Their Primus Labs Certified facility in Otay Mesa, California, facility offers cross-docking, inspections services, bagging & repacking capabilities, as well as refrigerated storage.

Janie Ramshaw, RHU
Ramshaw Enterprises, Inc.

Janie Ramshaw, RHU, is a veteran of the Health Care Industry for the last 36 years. Her multi-faceted health insurance agency serves both individual and small employer groups for their health insurance needs. The agency also focuses on Medicare Supplement coverage. For the last two decades she has specialized in Managed Care and has consulted for hospitals, physicians, and Managed Care companies for marketing and business development.

In addition to her hands-on experience in the health care industry, she is a nationally recognized speaker, is widely published in her industry's periodicals, has a tape and video series, speaks to groups related to the Health Care Industry throughout the United States and appears on television and radio programs representing the small business and health insurance perspectives. Janie testified before Congress to the U.S. Labor Committee as an expert witness on behalf of Small Business regarding health insurance in 1989.

She was appointed by the Governor as a Commissioner for the State of California for the California Health Policy and Data Commission (CHPDC), from 1990 to 1994. She has served as a Commissioner for the San Diego Medical Society's Access to Health Care commission and the Physician Economic Issues Committee.

Janie is Past Charter President of the Rancho Bernardo Soroptomists and Past Charter Sergeant-of-Arms of the Rancho Bernardo Toastmasters, International. She is a Past-President of the San Diego Association of Life Underwriters, past National Committeeman of that association, former Trustee for the State Association and past Chairman of NALU's Health Committee. She was Vice President of Legislation for California Association of Health Underwriters. She served on the founding Boards for the San Diego Employee Benefit Council and Health Underwriters.

Since 1990, Janie created fourteen hours of Continuing Education Classes involving managed care. She has consulted for UCSD, Children's and Alvarado Hospitals. She served from 2000 to 2007 on the Alvarado Hospital Board.



Tom Sudberry
Chairman, Sudberry Properties



Tom Sudberry formed Sudberry Properties in 1979 to develop and manage commercial properties in Southern California. The firm currently specializes in urban retail, community, and town center developments with an emphasis on mixed use and master planned communities. Since its inception, Sudberry Properties has developed more than 6 million square feet of retail, office, apartments, and industrial projects with a market value exceeding \$1 billion. Sudberry Properties is also known for entitling particularly difficult or complicated properties.

Mr. Sudberry's list of achievements and civic involvement is impressive. He is a member of ICSC, Urban Land Institute, the Congress of New Urbanism, National Council for Urban Economic Development, San Diego BIA, Policy Advisory Board Executive Committee USD Burnham-Moores Center for Real Estate, San Diego Economic Development Corporation, and the Regional Chamber of Commerce. He has also recently served as chairman of The Lincoln Club, Board Member of Impact Urban America, The San Diego River Park Foundation, Move San Diego, Father Joe's Villages, Former Board Member of North County BIA, Santa Fe Christian Schools, and USS Midway Museum.

Joe Terzi

President & CEO, San Diego Convention & Visitors Bureau

An active member in the San Diego hospitality industry since 1995, Terzi was formerly a senior vice president for Starwood Hotels & Resorts until his retirement on January 1, 2009. He served on the Board of the Convention & Visitors Bureau for 12 years and was its chairman in 2004. He was also a member of the advisory board of the San Diego State University School of Hospitality & Tourism Management, the board of directors of The Old Globe Theater, the 2008 American Society of Association Executives Host Committee and the San Diego Lodging Industry Association. Terzi was also a founding board member of the San Diego Tourism Promotion Corporation, the operating arm of the city's Tourism Marketing District (TMD), which provides funding for the Bureau. Terzi was named President & CEO of the Convention & Visitors Bureau in 2009.



Vince Vasquez

Senior Policy Analyst, National University System Institute for Policy Research



Vince Vasquez is the Senior Policy Analyst at the National University System Institute for Policy Research, based in San Diego, and has worked on a wide variety of local and regional policy issues, including government taxes and finance, telecommunications, urban life, poverty, and the Latino community. In addition to producing special reports, Vince contributes to the San Diego Economic Ledger, a bi-monthly report highlighting key economic happenings in the San Diego region and published by the Institute.

The National University System Institute for Policy Research is an independent institute that conducts research and publishes articles, policy briefs, and other materials about regional issues, including municipal government, economic policy, housing, transportation, infrastructure, and fire preparedness. The National University System Institute for Policy Research's efforts have had a direct impact on seven major decisions, including water policy, the City of San Diego's budget, the enhancement of regional fire protection, and the debate over Wal-Mart Superstores.

Courtland Weisleder

**Founder, Greener Dawn
Member, US Green Chamber of Commerce**

Courtland Weisleder is the founder of Greener Dawn, a company that provides services to Solar Installers, Energy Auditors, and Home Performance Contractors nationwide. Educating homeowners on the value of Energy Efficiency and Solar Installation is Greener Dawn's focus through their numerous websites including www.mygreenerdawn.com. Courtland founded Greener Dawn in pursuit of his belief that alternative energy, renewable energy and clean technology can define and build a brighter future.

He is a founding member of the US Green Chamber of Commerce and was named to the 35 Green Entrepreneurs under 35 by San Diego News Network as well as a Metro Mover in 2010 by the San Diego Metropolitan Magazine.



Stephen Williams

SENTRE Partners



Steve Williams, Partner, co-founded SENTRE Partners in 1989. Steve is a co-founder of Bandwidth Now which transforms commercial buildings into "next gen" environments, treating bandwidth as a utility and Wi-Fi as an amenity using its patent pending Building Optical Network (BON). Bandwidth Now and SENTRE were nominated by Intel for the Computerworld Honors Program's 21st Century Achievement Award. Steve was formerly a partner with Trammell Crow Company, where he was responsible for the San Diego division. Prior to that, he was an investment salesman for Coldwell Banker in their Santa Ana office. Steve began his career as a certified public

accountant with Arthur Young and Co.

Steve is a grandson of Arthur Banker, co-founder of Coldwell Banker (and now CB Richard Ellis). He is a past recipient of the Alonzo Horton Founder's Award, downtown San Diego's most prestigious honor. For more than ten years, Steve has taught a one-hour class for Jr. Achievement at an inner-city high school and was named Consultant of the Year in 2000. Steve graduated from UCLA in 1972 and received an MBA from USC in 1974. He is a licensed CPA and licensed real estate salesman. He is active in ULI and was a former national board member of NAIOP.

He is active in the community and currently serves on the boards of the San Diego Regional Economic Development Corp. and CONNECT. He has previously served as Chair of LEAD San Diego. He has also served on the boards of the San Diego Chamber of Commerce, The Burnham Institute and the Reuben H. Fleet Science Center. Steve and his wife, Stephanie, have two children.

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MAKING SAN DIEGO THE PERFECT CLIMATE FOR BUSINESS

*San Diego city government should be
a help, rather than a hindrance, to
economic recovery in our region.
The Pathway to Prosperity is the
plan to get us there.*

- Councilmember Carl DeMaio

**PATHWAY TO
Prosperity** 